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UNITED STATES TARIFF COMMISSION

MARBLE AND TRAVERTINE PRODUCTS

**Report to the President on Investigation
No. TEA-I-20 Under Section 301(b)(1) of the
Trade Expansion Act of 1962**



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REPORT TO THE PRESIDENT

U.S. Tariff Commission,
September 13, 1971.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation on marble and travertine products, conducted under section 301(b) of that act.

The purpose of the investigation is to determine whether marble, travertine, and articles of marble or travertine, all the foregoing provided for in items 514.65, 514.81, and 515.24 of the Tariff Schedules of the United States (TSUS) are, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products.

Following receipt of a petition filed by the National Association of Marble Producers on February 25, 1971, and amended on March 11, 1971, the U.S. Tariff Commission, on March 16, 1971, instituted the investigation under section 301(b)(1) of the Trade Expansion Act of 1962 (TEA). Notice of the investigation and public hearing was posted at the Commission's offices in Washington, D.C., and in New York City and was published in the Federal Register of March 20, 1971 (36 F.R. 5389). The public hearing was held June 15-16, 1971, when all interested parties were offered opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs

submitted by interested parties in connection with the investigation are attached. 1/

The National Association of Marble Producers (NAMP) is a trade association of U.S. firms engaged in quarrying and/or fabricating marble and travertine for use as building material. Its membership includes virtually all the firms that quarry marble and travertine in the United States for construction and memorial (cemetery) purposes; these firms also account for the great bulk of the domestic marble and travertine fabricated for such purposes. Although some of the members of the NAMP produce substantial quantities of crushed or broken marble, the petition concerns only their operations relating to the quarrying and processing of so-called dimension marble and travertine. 2/

The information for this report was obtained from fieldwork; from questionnaires sent to domestic quarriers, quarrier-fabricators, and importers; from the Commission's files; from other Government agencies; and from evidence presented at the hearing and in briefs filed by interested parties.

1/ The transcript and written statements were attached to the original report to the President.

2/ The term "dimension" is used in this report to describe marble, travertine, or other natural stone suitable for fabrication into shapes used in the construction of buildings. However, some dimension marble and travertine is used to make headstones, tabletops, bases for lamps and trophies, ashtrays, figurines, and other decorative or utilitarian articles. Crushed and broken marble is used extensively in the production of terrazzo (a type of flooring); it is also used in agriculture and as roadstone. Such marble is obtained principally from deposits which are not suitable for producing dimension stone.

Findings of the Commission 1/

1. Chairman Bedell and Commissioner Moore find under section 301(b) of the Trade Expansion Act (TEA)--

(A) that (a) marble provided for in item 514.65 of the Tariff Schedules of the United States (TSUS);

(b) marble provided for in item 514.81 of the TSUS, if manufactured and suitable for use as monumental, paving, or building stone; and

(c) travertine provided for in item 515.24 of the TSUS

are, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to threaten to cause serious injury to the domestic industry or industries producing like or directly competitive articles.

(B) that marble provided for in item 514.81 of the TSUS, if not manufactured or not suitable for use as monumental, paving, or building stone

is not, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive articles.

(C) that in order to prevent serious injury, the rates of duty applicable to imports of the articles described in finding 1(A) must be increased as follows: Item 514.65 to 22.5 percent ad valorem, item 514.81 to 50 percent ad valorem, and item 515.24 to 50 percent ad valorem.

1/ Vice Chairman Parker and Commissioner Sutton did not participate in the findings of the Commission.

2. Commissioners Leonard and Young find under section 301(b) of the TEA that marble and travertine provided for in items 514.65, 514.81, and 515.24 of the TSUS are not, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive articles.

The Commission, being equally divided with respect to the marble and travertine described in finding 1(A), is required under section 330(d) of the Tariff Act of 1930, as amended, to transmit to the President the findings of each group. Section 330(d) further provides that the findings of either group may be considered by the President as the findings of the Commission.

In making the foregoing findings, the Commission did not give consideration to the effect of the temporary actions of the President proclaimed August 15, 1971, effective August 16, 1971. It is too early at this time to evaluate the impact of these actions on the marble and travertine products in this investigation.

Views of Chairman Bedell and Commissioner Moore

On March 11, 1971, the National Association of Marble Producers filed a petition with the U.S. Tariff Commission requesting relief under sec. 301(b)(1) of the Trade Expansion Act of 1962. The petition alleged in substance that the domestic marble producing industry is being seriously injured, or is threatened with serious injury, by reason of increased imports of marble and travertine which have resulted, in major part, from trade-agreement concessions.

For the reasons set out below we find that the domestic marble and travertine industry is threatened with serious injury and that the rates of duty necessary to prevent serious injury are as follows: 22.5 percent on TSUS item 514.65, 50 percent on part of TSUS item 514.81, and 50 percent on TSUS item 515.24. We further believe that economic conditions within the threatened domestic industry are such as to justify adjustment assistance, as provided for under the Trade Expansion Act, for firms and workers in the industry. The reasons for our affirmative finding are set out below.

The industry involved

The imports which the domestic industry alleges are causing serious injury consist of marble and travertine fabricated abroad for use as exterior or interior building surfaces. The great bulk of such imports are shipped directly to the jobsite and require no processing before being set in place. We have determined that the domestic industry producing like or directly competitive products consists of the

facilities involved in all, or any combination, of the following operations: Quarrying or mining marble or travertine in block form, sawing blocks into various rough shapes, and processing the shapes into desired sizes and finishes for use as exterior and interior building surfaces.

Our definition of the domestic industry does not include facilities for the production of vases, urns, statuettes, ashtrays, bookends, and other so-called novelty articles made of marble because such articles have never accounted for more than an incidental part of the output of the U.S. producers of marble and travertine for structural purposes.

Statutory requirements

Under the Trade Expansion Act the domestic industry is entitled to an affirmative determination in a proceeding under sec. 301(b)(1) only if each of four statutory requirements is met. These four requirements as they apply to this investigation are as follows:

- (1) Imports of marble and travertine slabs and structural shapes under TSUS items 514.65, 514.81, and 515.24 must be increasing.
- (2) The increased imports must be in major part the result of concessions granted under trade agreements.
- (3) The industry producing the like or directly competitive products must be suffering serious injury or be threatened with serious injury.
- (4) The increased imports must be the major factor causing or threatening to cause the serious injury.

Increased imports

The imported articles which were considered during this investigation consisted of rubbed or polished marble slabs (TSUS item 514.65), fabricated marble articles for structural purposes (part of TSUS item 514.81), and fabricated structural travertine (TSUS item 515.24).

Although there is no common unit to measure the physical volume of imported fabricated structural marble and travertine, the available data show clearly that such articles are being imported in increased quantities.

When the estimated amount of noncompetitive novelty articles are excluded from the imports under TSUS item 514.81 (see appendix table 7), total imports of structural marble and travertine which compete with the articles produced by the domestic industry increased as follows:

TSUS item No.	5-year averages (in millions of dollars)						Jan.- June 1971
	1946-50	1951-55	1956-60	1961-65	1966-70		
514.65-----	<u>1/</u>	0.2	1.0	3.8	5.8	3.3	
514.81-----	<u>1/</u>	0.4	1.0	2.0	2.3	1.4	
515.24-----	<u>1/</u>	<u>1/</u>	.1	1.0	1.7	1.5	
Total-----	0.1	0.6	2.1	6.8	9.8	6.2	

1/ Less than \$500,000.

From the foregoing tabulation it is clear that the trend of imports under each of the TSUS items has been sharply upward, in terms of current dollars, as reported in official statistics. In fact, so sharply upward are such increases in value that when the dollar figures are deflated to allow for inflationary price rises, they indicate that the imports are increasing within the meaning of the statute.

In the following discussion of imports under each of the import classifications, the foregoing conclusion is supported by the sharp rise in the quantity figures for the imports under items 514.65 and 515.24. In 1970 these two items together accounted for about three-fourths of the total value of the competitive imports.

Rubbed or polished marble slabs (item 514.65).--Rubbed or polished slabs, whether or not ready for installation, totalled only 57,000 superficial (square) feet in the 3-year period 1947-49. In 1950, the year the tariff rates were reduced by 50 percent, imports of slabs nearly tripled. During the following 2 decades, the quantity of imported rubbed or polished slabs grew, almost without interruption, to 7.5 million square feet in 1968.

Although quantity figures in appendix table 6 show that imports have decreased somewhat since 1968, the imports in 1969 (6.8 million square feet), 1970 (6.5 million square feet), and January-June 1971 (3.1 million square feet) were at a higher annual rate than imports in any preceding year except 1966 and 1968. Moreover, the 1970 imports were greater than the annual average of imports during the 3-year period 1966-68. Thus, in our view, rubbed or polished marble slabs are being imported under item 514.65 in increased quantities within the meaning of the statute.

Marble articles for structural purposes (item 514.81).--As previously indicated, the official statistics on imports of marble articles under TSUS item 514.81 include imports of noncompetitive

novelty articles. The evidence gathered in this investigation indicates that from 1946 to the mid 1950's these noncompetitive articles accounted for nearly all the imports shown in appendix table 7. However, in the late 1950's fabricated structural marble ready for installation began to be imported in significant quantities. Thereafter imports of structural marble rose sharply in relation to the total imports of fabricated marble articles.

Our estimates of imports of competitive structural marble shown in the tabulation above (p. 7) clearly indicate that such articles are being imported in increased quantities within the meaning of the statute.

Travertine articles (item 515.24).--There is no doubt that the long term trend of imports of fabricated structural travertine has been upward, measured in short tons. Imports rose from an estimated 28,000 short tons in 1969 to 30,000 short tons in 1970 and were at an annual rate of 22,000 short tons during January-June 1971. The unit values computed from the official figures shown in appendix table 8 indicate that the published quantity figures have been overstated for many years. Accordingly, the above estimates for 1969-71, which take account of the errors found in the import documents, indicate that structural travertine is now being imported in much larger quantities than during earlier years.

In summary.--In the aggregate, imports of the competitive articles enumerated under the TSUS items listed above are increasing. Therefore, we find that the first requirement of the statute has been satisfied.

In major part

The second requirement of the Trade Expansion Act is to determine whether increasing imports result in major part, from trade-agreement concessions. To make this determination we must ask the following question: Had the statutory rates of duty remained in effect, would the competitive articles have been imported in such increased quantities as to cause or threaten to cause serious injury to the domestic industry? In this case we believe the answer to this question is "No" for the following reasons.

First, during the period January 1948-May 1950, all the rates of duty applicable to imports here under consideration were reduced by 50 percent as a result of trade-agreement concessions granted by the United States under the General Agreement on Tariffs and Trade. Following such reduction imports under each of the three groups of articles drastically increased during the 1950's. As the evidence and testimony presented during the hearings (transcript, p. 24) indicate, imports were not identified as a problem for the domestic industry until the early 1960's, when the Italian marble industry with new equipment and the advantage of substantial reductions in the U.S. rates of duty on competitive articles was ready to penetrate the then growing market for marble in the United States.

Second, evidence shows that the concessions granted in 1948 and 1950 not only lowered the duty, but in addition gave assurance to

foreign marble and travertine producers that the lower rates would not be increased. Moreover, as the President's authority to negotiate additional concessions was extended, there was also the hope, and finally the actuality, of further tariff reductions. Thus, the Italian producers, who have always been the principal suppliers of U.S. imports of marble and travertine, were encouraged to make long-range plans for marketing in the United States as they were recovering from war damage during the 1950's.

However, the rapidly increasing competitive imports under the three TSUS items identified above did not offer serious competition to the domestic producers until about 1962. Since the enactment that year of the Trade Expansion Act which resulted in a further reduction in the rates of duty by about 40 percent, the domestic industry's ability to bid successfully on building projects has worsened. In most cases where sales are won or lost on the basis of price, foreign marble producers have experienced a bonus by reason of predictable price decreases since 1963 in the form of duty reductions--probably the only price element that has declined in the last 8 years in the building industry.

The many examples of sales lost to imports by the domestic industry obtained during this investigation show that if the statutory rates of duty had continued to apply to marble and travertine imports after 1947, instead of the progressively lower trade-agreement rates, domestic articles would now be competitive with imports in terms of price. To illustrate this point, the prices paid by U.S. building

contractors for four typical shipments of imported veneer, ready for installation and delivered to the jobsite, are compared with the constructed prices for comparable domestically fabricated veneer in the following tabulation:

Item	Marble veneer for		Travertine veneer	
	jobsite in--		for jobsite in--	
	Radford, Va.	Rochester, N.Y.	Birmingham, Ala.	Dallas, Tex.
Imported material from Italy:				
TSUS item-----	514.65	514.81	515.24	515.24
Quantity-----	4,052 sq. ft.	37 tons	3,954 sq. ft.	35 tons
Total delivered price (including markup) based on--				
1970 rate-----	\$10,050 (4.5%)	\$17,114 (14.5%)	\$6,510 (14.5%)	\$13,848 (14.5%)
Statutory rate----	\$10,810 ^{1/} (15%)	\$20,352 (50%)	\$7,919 (50%)	\$16,532 (50%)
Constructed delivered price (including markup) of comparable veneer fabricated in the United States-----	\$13,450	\$23,155 ^{2/}	\$7,725 ^{2/}	\$17,731 ^{2/}

^{1/} If the rate we are recommending for TSUS item 514.65--namely, 22.5%--is used to compute the total delivered price (including markup) of this shipment, that price would be \$11,352.

^{2/} Constructed price is for veneer fabricated in the United States from imported block carried in inventory.

Of course, there are other factors in addition to trade-gereement concessions contributing to the rising trend of imports of fabricated structural marble and travertine. Nevertheless, the generous tariff concessions granted during the last 20 years have clearly contributed

more to the competitive advantage enjoyed by foreign producers than other economic factors. Accordingly, we find that increasing imports of marble and travertine have resulted, in major part, from the tariff concessions. Therefore, we believe the second requirement of the statute is satisfied.

Threat of serious injury

The third requirement of the statute is that the industry producing like or directly competitive articles must be suffering serious injury or be threatened with serious injury.

Evidence secured during this investigation shows that the domestic industry is threatened with serious injury. During the past 10 years, the volume of production and the value of shipments have substantially declined. Employment and man-hours worked in the domestic industry have decreased measurably.

Of the approximate 170 gang saws in the mills owned by the quarrier-fabricators, only about a half are being utilized during 1971. Moreover, the gang saws in operation have been curtailed to limited periods rather than round the clock which is the practice when mills are operating at full capacity.

During each of the years 1966-70, the domestic quarrier-fabricators as a group experienced operating losses in the establishments in which structural marble and travertine were produced. Their total annual operating losses ranged from \$151,000 to \$238,000 during 1966-68,

increased to \$502,000 in 1969, and then more than doubled, reaching \$1.1 million in 1970. One of the domestic marble producers ceased operation in 1971. Others reported that they are struggling to continue their operations but are uncertain as to whether they can continue to stay in business.

Evidence shows that the foregoing trends will continue, and probably intensify in the immediate future, if some relief is not provided. Accordingly, we conclude that the domestic industry producing marble and travertine for use in buildings is being threatened with serious injury and thus, we believe, the third requirement of the statute is met.

Imports, the major factor

The last requirement of the statute is that the increased imports must be the major factor causing or threatening to cause serious injury.

In order to determine whether the increased imports described above are the major factor threatening to cause serious injury to the domestic industry, we must ask the following question: If competitive imports had not increased, would the domestic industry be threatened with serious injury? We believe the answer to this question is "No" for the following reasons.

The total U.S. market for marble and travertine appears to have shown very little growth since the early 1960's. Moreover, the long-term trend of U.S. consumption of these materials has been downward. Estimated annual U.S. consumption declined from about 4.1 million cubic feet of quarry block equivalent in 1927 to an annual average of 2.8 million cubic feet in 1966-70.

By 1960 the U.S. industry had made considerable progress toward regaining its prewar volume of production. Thereafter, faced with a rather sluggish demand and, in addition, sharply increasing imports of fabricated structural marble and travertine, the health of the domestic industry began to deteriorate. Annual imports of the fabricated material with which this investigation is concerned have quadrupled during the past decade. Simultaneously, imports have greatly increased their share of the U.S. market. Currently, imports of such fabricated material account for nearly 60 percent of U.S. consumption.

Before 1960 imports of marble and travertine were mostly in forms requiring considerable fabrication in the United States before being set in place. At that time imports supplied only about 25-30 percent of total annual consumption of marble and travertine.

The evidence is clear that imports of fabricated structural marble and travertine have so increased since 1960 in both absolute amounts and in market share that they are the major factor threatening serious injury to the domestic industry producing like or directly competitive articles. Therefore, we believe the fourth requirement of the statute is met.

The remedy

In our view, the domestic industry producing structural marble and travertine is at a most critical point in its history. If serious injury is to be prevented, the domestic industry needs relief afforded

under the Trade Expansion Act which permits not only increases in rates of duty on competitive articles, but adjustment assistance as well.

In formulating the remedy needed, we believe consideration should be given to the competitive conditions of the U.S. market for the products involved. In this connection, we observe that in a broad sense marble and travertine are luxury articles. They are used principally in the construction of the more expensive nonresidential buildings. Compared with other building materials, marble and travertine are used mainly to impart a special elegance.

We note also that in the many examples brought to our attention of articles imported under item 514.81 or item 515.24, the application of statutory rates of duty, in lieu of the current trade-agreement rates, would have appreciably reduced, and in some cases removed, the price differential between the imported and domestic article. In many cases involving marble slabs imported under item 514.65, however, the maximum rate permissible under the Trade Expansion Act would be necessary to appreciably reduce the price differential.

We find, therefore, that to prevent the threat of serious injury from becoming serious injury, it is necessary to impose rates on the imports entered under the three TSUS items 514.65, 514.81 (except novelty articles), and 515.24 as follows:

<u>TSUS item</u>	<u>Recommended rate</u>
514.65	22.5%
514.81 (except novelty articles)	50%
515.24	50%

The remedy we propose does not apply to imports of noncompetitive novelty articles imported under item 514.81. Such remedy, however, should be coupled with an adjustment assistance program as contemplated by the Trade Expansion Act to assist the firms and workers involved.

Views of Commissioners Leonard and Young

Under Section 301(b) of the Trade Expansion Act of 1962 the Commission must determine whether:

1. an article is being imported in increased quantities;
2. the increased imports are in major part the result of concessions granted under trade agreements;
3. the domestic industry producing an article which is like or directly competitive with the imported article is being seriously injured or threatened with serious injury; and
4. the increased imports in major part the result of trade agreement concessions have been the major factor in causing or threatening to cause the serious injury.

If the Commission decides that all four of these criteria are met, then it is to find the amount of the duty or other import restriction on the article which is necessary to prevent or remedy the injury. However, a negative finding for one or more of the criteria necessarily leads to a negative determination for an investigation as a whole.

Our determination in this investigation is in the negative because we do not find facts satisfying the second statutory criterion listed above. Even if the marble and travertine items which are the subject of this investigation are being imported in increased quantities, a contention which is not wholly without question, we cannot conclude that the rising imports have been generated in major part by trade agreement concessions.

Are imports in increased quantities?

Imports of the subject marble and travertine products have risen in value practically without interruption since 1946. As for import volume, the evidence is not as conclusive. The available information on quantity--which does not cover all of the items in question and is partly estimated--reveals an increase over the long run, since 1946, but at a slower rate than that calculated on the basis of value.^{1/} Moreover, it is significant that the quantity of imports of marble slabs--a principal item among those under investigation--has actually decreased each year since 1968, despite a simultaneous annual reduction of duty resulting from trade-agreement concessions.

Impact of trade agreement-concessions on imports

Whether or not imports of marble and travertine products can be said to have increased under the terms of the statute, in our opinion, no such increase is caused in major part by trade-agreement concessions. The available information shows almost no direct connection between reductions in duties and import growth. For example, inbound shipments of the articles in question did not attain really significant proportions until the middle and late 1950's, almost ten years after the rates of duty were cut in half. During the decade of the 1960's, however, they continued to leap ahead,

^{1/} The resulting rising unit values of imports are attributable partly to the embodiment in the imports of increasing amounts of fabrication work abroad and partly to rising prices.

even though during that period there were either no or only minor duty reductions resulting from trade-agreement concessions.

In the case of marble slabs, for example, the value of imports increased from less than a million dollars in 1958 when the ad valorem equivalent of the duty was about 7 percent to \$5.5 million in 1966 in which year the duty was still 7 percent. Although the duty remained at the 7 percent level, imports declined by about 20 percent in 1967. The argument might be made that the duty reduction down to 6 percent in 1968, the year of the first stage of the Kennedy round concessions, was a significant factor in the sharp rise in imports which occurred in that year. Clearly, this was not the case. The sharp increase in 1968 was in great part simply a recovery of an unusual and unexplained reduction in 1967. For example, the increase from 1966 to 1968, when there was a duty reduction of one percentage point, amounted to less than the increase from 1965 to 1966, when there was no reduction in duty. Furthermore, from 1966 to 1968 there was a substantial increase in non-residential construction contracts, which is the area of greatest demand for marble and travertine.

If duty reductions were the principal factor stimulating increased imports, what explanation is there for the reduction in imports of marble slabs in 1969, 1970, and the first half of 1971-- a 2½ year span in which there were three successive duty reductions resulting from the Kennedy round negotiations? Moreover, statistical techniques employed to measure the relationship between duty reductions and imports of the items covered in this investigation failed to reveal

any significance in such relationship. The results were at best exceedingly weak and at worst meaningless.

The erosion of the competitiveness of the domestic industry has come to extend far beyond any degree to which tariff concessions can reasonably be judged to have contributed. This is exemplified starkly in information supplied by domestic firms to facilitate comparison of domestic and import prices. The information, which covers five specific recent construction jobs using marble or travertine imports under each of the three tariff categories under investigation, is summarized in the table on the following page.

The table shows that, if one compares constructed delivered prices of comparable domestic products with delivered prices of imports hypothetically taxed at the statutory (1934) tariff rates, the import price tag still is lower in four out of the five cases. The price advantage enjoyed by importers over domestic producers for stone delivered to the construction site ranges from 7 percent to 44 percent and averages 17 percent. In the fifth case, the import price is higher by a negligible 2 percent. Thus, one must conclude that even the full restoration of statutory tariff rates specified in the current Tariff Schedules of the United States would have little or no protective effect vis-a-vis the domestic industry. Based on these comparisons of pricing, the conclusion is inescapable that the progressive lowering of duty rates via trade-agreement concessions over the past 23 years has had little or no relevance to the causes for this industry's declining competitive position and the concurrent increase in imports.

Marble and travertine veneer, ready for installation: Domestic quarriers' price to customers for imported products delivered to specified jobsites with U.S. duty calculated at the actual (1970) and statutory rates of duty and their constructed price of delivered comparable products fabricated in the United States, 1970

Line No.	Item	Marble veneer for jobsite in--			Travertine veneer for jobsite in--	
		Radford, Va.	Frankfort, Ky.	Rochester, N.Y.	Birmingham, Ala.	Dallas, Tex.
	Imported material from Italy:					
1	TSUS item-----	514.65	514.65	514.81	515.24	515.24
2	Quantity-----	4,052 sq. ft.	2,396 sq. ft.	37 tons	3,954 sq. ft.	35 tons
	Total delivered price based on--					
3	1970 rate-----	\$10,050 (4.5%)	\$5,485	\$17,114 (14.5%)	\$6,510 (14.5%)	\$13,848 (14.5%)
4	Statutory rate-----	\$10,810 (15%)	\$5,822	\$20,352 (50%)	\$7,919 (50%)	\$16,532 (50%)
5	Constructed delivered price of comparable veneer fabricated in the United States-----	\$13,450	\$10,315 ^{1/}	\$23,155 ^{2/}	\$7,725 ^{2/}	\$17,731 ^{2/}
6	Price of veneer fabricated in the United States over price of imported veneer dutiable at statutory rate (line 5 less line 4)-----	\$ 2,640	\$4,493	\$ 2,803	^{3/}	\$ 1,199
7	Price advantage afforded imported veneer as a percentage of the price of veneer fabricated in the United States (ratio of line 6 to line 5)-----	20%	44%	12%	-	7%

^{1/} Constructed price for veneer fabricated from highest quality of white domestic marble. Had the price for domestic veneer been constructed for grayish-white domestic marble, such price would have been \$6,780, with the figure on line 6 reading \$958 and the figure on line 7, 14%.

^{2/} Constructed cost for veneer fabricated from imported block carried in inventory.

^{3/} Price of veneer fabricated in the United States would have been \$194 less than the price of the imported veneer dutiable at statutory rate.

Other factors causing rising imports

a. Domestic costs.--While the causal connection between trade-agreement concessions and increased imports is threadbare, the evidence does reveal important ties between other causes and a rise in imports. Increases in the cost of domestic marble and travertine played an important role in the declining competitiveness of the U.S. industry. In the period from 1966 through 1970, the price advantage gained by imports as a result of trade-agreement concessions ranged from 2.5 percent in the case of marble slabs to 6.5 percent for the marble "articles" and travertine in question. Yet data supplied by the petitioners on domestic prices suggest that such prices rose, on average, 30 percent to 40 percent for marble slab and veneer, and somewhat less for travertine products--although still by more than the advantage gained by importers from duty reductions. Domestic producers attribute these cost increases in major part to rising wage rates.

b. Foreign competition.--The changing composition of imports offers an important clue to the obvious and strengthening advantage of the foreign producers in the U.S. market. During the postwar period, and especially in the 1960's, there has been a definite trend toward the importation of marble and travertine products in a more advanced state of manufacture, embodying large amounts of skilled foreign labor and advanced foreign technology. Prior to this development, the bulk of imports consisted of unfinished blocks upon

which most manufacturing operations outside of the quarry were performed in the United States. In fact, given the fairly limited availability of domestic marble and the wide range of colors and other varietal factors found abroad, the domestic industry--including both the quarrier-fabricators and the independent fabricators^{1/}--traditionally has maintained large inventories of imported rough marble. Many types of marble and travertine considered most desirable for construction purposes simply are not available in the United States. In recognition of this strong demand for foreign marble, the industry does not wish to have the importation of such marble in blocks discouraged by any additional import restrictions. On this evidence, it seems clear that competition in this industry arises most visibly in the arena of relative costs in manufacturing or finishing crudely worked marble and travertine--an arena in which foreign, especially Italian, producers usually have significant advantages over the U.S. industry.

The Italian marble industry, which is the principal competitor that U.S. producers face, is several times the size of that in the United States. It has a large pool of highly-skilled and low-cost labor and enjoys abundant and easily worked deposits of raw material with a full range of colors, patterns, and types of stone. Its plant

^{1/} For a description of the quarrier-fabricators and of the independent fabricators, see pp. A-12 ff. of this report.

and equipment are modern and efficient. It has superior institutional and financial arrangements and is concentrated in a relatively small geographic area near ocean port facilities. With a market of world-wide scope, developed over many, many years, Italian producers have great competitive advantages over those elsewhere, including those in the United States. These advantages far outweigh in importance the U.S. tariff as factors which have permitted the foreign producers to penetrate the U.S. market so effectively in recent years.

c. Demand factors.--Finally, the nature of demand for the products in question presents a genuine difficulty for U.S. producers of marble and travertine. Marble is a luxury material, used only in the most expensive buildings. Basic decisions on whether to employ marble in construction, while founded partly on cost considerations, also are influenced heavily by architects' and owners' preferences, specifications, and sometimes pretensions regarding style, design, and color. In these respects, the ability of the U.S. quarrier to compete is often limited by the hand which nature has dealt him in the form of a decidedly limited range of types of stone. In short, the specifications for a major building, by the very nature of the product demanded, can often exclude domestic marble--or reduce it to the status of a second-best choice that could supplant an import only by means of an overwhelming cost advantage which we have found not to exist.

Conclusion

With the foregoing considerations in mind, we not only conclude in this investigation that convincing evidence of a linkage between tariff concessions and a rise in imports is absent, but also that there is weighty information as to other causes of any increased imports. Therefore, we must make a negative determination.

INFORMATION OBTAINED IN THE INVESTIGATION

Description and Uses of Products Under Investigation

Marble and travertine, which are calcareous stones capable of taking a polish, are used principally in the construction of buildings. They differ principally with respect to their geological formation and appearance, but are often considered commercially as the same product, i.e., "marble." In fact, travertine is often called travertine marble.

Cost considerations aside, marble and travertine are generally selected on the basis of color, veining, and other physical characteristics to conform with the decorative effect desired by the architects or the owners of the buildings in which they are to be used. These physical characteristics vary depending on the location of the quarry from which the stone is obtained. Travertine ranges in color from a creamy beige to a deep brown, whereas marble comes in white, black, and a variety of colors. Travertine, unlike marble, is porous. For some uses, the pores of travertine are filled with resin or other suitable material. This treatment, which improves the durability and appearance of the stone and facilitates maintenance, increases the cost of the structural pieces and thus reduces the usual difference in delivered prices to the construction site between travertine and some marbles.

Types of marble

Marble, which is more extensively used in the United States than travertine, may be classed in three groups. The first group, which is

by far the most important, consists of recrystallized limestone. Such marble, which is white, black, or mottled with one or more colors, is used principally in building construction. It is also used to make articles such as altars, pulpits, statues, monuments, tabletops, benches, lamp and trophy bases, ashtrays, and various small art and novelty articles.

The second group consists of the onyx marbles, which are essentially calcium carbonate. When polished, these marbles have a waxlike appearance and are used almost entirely to make art and novelty articles. There has been virtually no commercial U.S. production of onyx marble in recent years; imports from Mexico account for most of the articles of onyx marble sold in the United States. 1/

The third and smallest group consists of breccia marbles, composed of angular fragments of marble naturally cemented together with calcite. Such marbles are used principally for tabletops and in other decorative applications. 1/

Forms of dimension marble and travertine

Dimension marble and travertine, i.e., stone suitable for fabrication into shapes used in construction, enter commercial channels principally in the following forms:

- (1) Quarry blocks, rough or dressed.

"Quarry blocks" refers to usable stone essentially in the form in which it is moved from the quarry site.

1/ In the U.S. tariff marble, onyx, and breccia are separately named. In a tariff sense, therefore, marble does not include either onyx or breccia. Onyx marble, which is frequently considered marble in a commercial sense is not a true marble in a mineralogical sense, whereas breccia marble is considered a true marble both in a commercial and mineralogical sense. In mineralogical terms, however, breccia marble is distinctive from breccia, which is fragmented angular rock of a homogeneous nature. Breccia is seldom used for the same purposes as the marbles described above.

- (2) Cubic stock, rubbed or rubbed and polished.
"Cubic stock" refers to pieces more than 2 inches in each dimension, cut from quarry blocks and requiring further fabrication before being used.
- (3) Slabs, rubbed or rubbed and polished.
"Slabs" refers to "flat stone pieces, not over 2 inches in thickness, having a facial area of 4 square inches or more, whether or not cut to size and whether or not one or both surfaces have been rubbed or polished, the edges of which have not been beveled, rounded or otherwise processed except such processing as may be needed to facilitate installation as tiling or veneering in building construction." 1/
- (4) Finished articles made from slabs and cubic stock. 2/
- (a) Veneer for walls, ceilings, and floors.
 - (b) Treads, risers, strings, and platforms of stairways.
 - (c) Windowsills (stools).
 - (d) Door thresholds (saddles).
 - (e) Molding trim for doors, windows, and elevator entrances, as well as for baseboards and wainscoting borders.
 - (f) Stalls for showers and toilets.
 - (g) Countertops.
 - (h) Facings, linings, and mantels of fireplaces.
 - (i) Shelves, radiator covers, and miscellaneous construction purposes.

Imported products

As indicated in the Commission's public notice, the complained-of imports in this investigation are marble articles entered under TSUS items 514.65 and 514.81 and travertine articles entered under item 515.24. Thus, as explained below in the detailed discussion of the type of articles imported under each of these TSUS items, the

1/ Headnote 2 to pt. 1(c) to schedule 5 of the TSUS, which defines the term "slabs" for tariff purposes. In the trade, as in this report, slabs that have been cut to size and processed for installation as veneering are generally referred to as veneer.

2/ In this report cubic stock cut to size and further processed is generally referred to as cubic marble or cubic travertine.

complained-of marble imports consist of rubbed or polished slabs and articles wholly or partly fabricated from slabs or from other forms of dimension marble. The complained-of travertine imports are principally processed slabs for use in construction. As explained in the petitioners' brief (pp. 5-6), their principal concern is the importation of marble and travertine processed abroad and shipped directly to the job site. In seeking tariff adjustment in the form of increased rates of duty or quotas on structural marble and travertine classifiable under TSUS items 514.65, 514.81, and 515.24, the petitioners stated in their brief (p. 16) that they "would be willing to except the novelty items" entered under item 514.81. Moreover, spokesmen for the domestic producers recognize the need for imports of rough stock in blocks or slabs. 1/ In recent years, however, imports of rough stock have been

1/ A witness at the public hearing stated: "Ten years ago it was not uncommon for several domestic producers to have a foreign block inventory in excess of a million dollars each. The point is that we were good customers for foreign blocks but we fabricated these blocks with American labor. * * * While we did sell vast quantities of foreign marbles, our primary interest was, naturally, to sell our own domestic marbles. However, we do want to make it clear that it is not our intent to discourage the use of foreign marble per se, rather to regain a competitive level with foreign fabricated marbles." (Transcript of the hearing, p. 24.)

Domestic producers' use of foreign marble has a long history, as the following statement verifies: "There has always been a comparatively large demand for foreign unmanufactured marble, largely to supplement the domestic supply. Most domestic producers, including those owning quarries, manufacture both domestic and foreign marble." (U.S. Tariff Commission, Summary of Tariff Information, 1929 . . ., vol. 1, p. 568.)

much smaller than in earlier years, whereas imports of fabricated slabs have been increasing.

Item 514.65.--The TSUS describes marble imports under item 514.65 as slabs "rubbed or polished in whole or in part." As already indicated, for tariff purposes slabs are no more than 2 inches in thickness and have a facial area of 4 square inches or more. By far the major part of the imports under item 514.65 consist of rectangular slabs with straight edges and squared corners, principally 7/8 inch to 1-1/4 inches in thickness, polished only on one face, and ranging from 24 to 72 inches in length and 12 to 30 inches in width. Many of the entries under this item consist of marble cut and matched to design specifications and marked to facilitate installation without further processing. Such entries--which are estimated to have accounted for at least half of the imports under item 514.65 in 1970--are generally delivered directly to job sites.

The remainder of the imports entered under item 514.65 in 1970 consisted principally of slabs delivered to U.S. fabricating plants for cutting to size, polishing, and other finishing operations required for installation in buildings as interior or exterior veneer, window saddles, baseboard strips, and so forth. Also included in the 1970 imports were bases for trophies and lamps and floor tiles in a wide range of sizes (mostly 8- to 15-inch squares).

Item 514.81.---This TSUS item is the basket classification for "marble, breccia, and onyx, and articles of one or more of these substances"; i.e., it covers these substances in forms other than block or slab. In practice, imports entered under item 514.81 consist principally of "fabricated slabs" (i.e., flat pieces not over 2 inches in thickness with beveled or rounded edges and/or grooved or otherwise processed) and pieces of marble over 2 inches in thickness that are polished and otherwise processed (i.e., polished cubic marble principally for use in building construction). The fabricated slabs entered under item 514.81 include those for use as trophy or lamp bases with the hole for attaching the trophy or lamp already drilled; if the hole is to be drilled in the United States, the bases are entered under item 514.65. On the other hand, slabs having anchor holes for the purpose of facilitating their installation as tiling or veneering are entitled to entry under 514.65 rather than under 514.81. Fabricated slabs with one or more beveled edges for installation as veneering at the corner of a building, however, do not meet the requirements for entry under item 514.65, and are classifiable under 514.81.

Also entered under item 514.81 are significant quantities of tabletops and small quantities of such novelty items as small figurines, book ends, worry stones, and ashtrays. For many years, U.S. production of such items has been negligible.

Item 515.24.--Although item 515.24 covers travertine "hewn, sawed, dressed, polished, or otherwise manufactured, and suitable for use as monumental, paving, or building stone," the entries under this item in recent years have consisted principally of pieces that would be designated "slabs" as that term is used in connection with the entries of marble under item 514.65. In 1969 and 1970, however, the imports under item 515.24 included significant amounts of travertine--possibly 500,000 dollars' worth each year--essentially in the same condition as when it was cut from a quarry by means of wire saws. 1/

U.S. Customs Treatment

Imported marble slabs, rubbed or polished in whole or in part, are currently dutiable under TSUS item 514.65 at 4 percent ad valorem; the other imported articles here under investigation are dutiable under TSUS items 514.81 (if of marble) or 515.24 (if of travertine) at 12.5 percent ad valorem. These rates became effective January 1, 1971, and reflect the fourth stage of the five-stage concessions granted by the United States in the sixth (Kennedy) round of trade

1/ See discussion on page A-35.

negotiations under the General Agreement on Tariffs and Trade (GATT). 1/
The first-stage reductions from 7 to 6 percent and from 21 to 18.5 percent, respectively, became effective on January 1, 1968, and the fifth- and final-stage reductions to 3.5 percent and 10.5 percent, respectively, are to become effective on January 1, 1972 (table 1).

In the original schedules of the Tariff Act of 1930, rubbed or polished "marble slabs or paving tiles" were dutiable under paragraph 232(b) at one of six rates, depending on thickness and on whether they were rubbed or rubbed and polished. Those rates, which ranged from 11 cents to 19 cents per superficial foot, were in effect from June 18, 1930, through May 29, 1950 (table 1). On the following day, the statutory rates were cut in half pursuant to a trade-agreement concession granted by the United States under the GATT. These trade-agreement rates, ranging from 5.5 cents to 9.5 cents per superficial foot, remained in effect from May 30, 1950, to August 30, 1963. On August 31, the effective date of the new Tariff Schedules

1/ Pursuant to Presidential Proclamation No. 4074, effective Aug. 16, 1971, these trade-agreement rates were modified by the temporary imposition of an additional duty of 10 percent ad valorem, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS. Accordingly, imports under item 514.65 became dutiable at 14 percent ad valorem and those under item 514.81 and item 515.24, at 22.5 percent ad valorem. Goods exported to the United States before Aug. 16, 1971, are exempt from the additional duty. Any such goods entered for warehouse or entered into a foreign-trade zone will be subject to the additional duty unless they are withdrawn for consumption on or before Oct. 1, 1971.

of the United States, the six specific rates of duty were replaced by a single ad valorem rate of 7 percent, which represented the average ad valorem equivalent of the specific rates applicable to imports during the immediately preceding years.

In terms of average ad valorem equivalent, the original rates of duty provided in the 1930 act had declined significantly by 1949, the year before the first trade-agreement concession was granted, reflecting a change in the composition of the imports as well as a rise in prices. For example, the average ad valorem equivalent of the duties applicable to imports of rubbed or rubbed and polished marble slabs declined from 19 percent in 1932 to about 11 percent in 1949. In 1932 about 35 percent of the imports consisted of rubbed slabs and the remainder, of rubbed and polished slabs, whereas in 1949 about 96 percent consisted of rubbed and polished slabs. 1/

In the original schedules of the Tariff Act of 1930, virtually all articles of marble and travertine of the types now dutiable under TSUS items 514.81 and 515.24, respectively, were dutiable at 50 percent ad valorem. 2/ This rate was reduced to 25 percent pursuant to GATT concessions which became effective for marble articles on January 1, 1948, and for travertine articles on May 30, 1950.

1/ In 1932, imports of the slabs considered here totaled 18,650 superficial feet, valued at \$13,372; in 1949, they totaled 36,786 superficial feet, valued at \$48,893.

2/ Cubes of marble, onyx, or breccia not exceeding 2 cubic inches in size--currently dutiable under item 514.81--were originally dutiable at 1/4 cent per pound plus 20 percent ad valorem if imported loose, and at 5 cents per pound plus 35 percent ad valorem if attached to paper or other material. Imports of such cubes have been negligible in recent years.

Pursuant to GATT concessions that became effective in three annual stages (the first on June 30, 1956), the 25-percent rate was reduced to 21 percent and remained at that level until January 1, 1968, the effective date of the first stage of the Kennedy Round concessions.

The preceding discussion on tariff rates in the TSUS relates to the column 1 rates, which are applicable to products of all countries except those designated as Communist in general headnote 3(e) to the TSUS. Products of Communist countries, which have been virtually nil in recent years, are dutiable at column 2 rates: 15 percent ad valorem if classifiable under item 514.65 and 50 percent ad valorem if classifiable under item 514.81 or item 515.24. Pursuant to section 203(1) of the Tariff Classification Act of 1962 (Public Law 87-456), the column 2 rates are treated as the rates "existing on July 1, 1934," for the purposes of the limitations on the President's rate-increasing authority under the TEA.

For virtually all the articles now classifiable under TSUS items 514.81 and 515.24, the column 2 rate and the rate of duty actually applicable on July 1, 1934, are the same. 1/ When the TSUS became effective in 1963, the various trade-agreement rates (in cents per superficial foot) applicable to the articles now classifiable under item 514.65 were 50 percent below the statutory rates that had been applicable on July 1, 1934. The TSUS carried forward that relationship between the trade-agreement rates and the statutory rates by establishing a column 1 rate of 7 percent ad valorem 2/ and a column 2 rate of 15 percent ad valorem for item 514.65.

1/ See footnote 2, p. A-9.

2/ As already indicated, the 7-percent rate represented the average ad valorem equivalent of the specific rates applicable to the imports in the early 1960's.

U.S. Producers

The complained-of imports in this investigation concern two categories of domestic producers--quarrier-fabricators and independent fabricators. Quarrier-fabricators extract the stone from the quarry and perform various fabricating operations required to prepare the stone for use principally in the construction of buildings, whereas the independent fabricators do not operate quarries but fabricate purchased materials.

A few of the quarrier-fabricators have fully integrated marble operations, i.e., they quarry marble, cut and polish it to architects' specifications, and set it in place at the construction site. These firms also sell semifabricated marble to independent fabricators. The other quarrier-fabricators quarry the stone, cut it into slabs or cubic stock, and may partially polish it before selling it to independent fabricators for further processing. All quarrier-fabricators are opposed to increasing imports of structural marble and travertine in forms ready for installation at construction sites. They are interested, however, in certain imported marble and travertine in rough or semifabricated forms to supplement the domestic supply. 1/

Independent fabricators are also generally opposed to imports of structural marble and travertine in forms ready for installation.

1/ Transcript of hearing, p. 24.

However, continued access to alternate sources of supply (i.e., both domestic and foreign) is essential to their operations. 1/ Some independent fabricators have complained that domestic marble is not always available in forms that they can further process to meet the requirements of their customers.

Quarrier-fabricators

Currently, seven U.S. concerns which have been in operation for many years are processing marble taken from their own quarries in the continental United States. There is also one continental quarrier-fabricator of travertine that commenced operations in 1967, as well as one concern in Puerto Rico that quarries and fabricates small amounts of marble and travertine. In addition to these regular producers, about three firms have intermittently quarried small tonnages of marble in recent years.

Four quarrier-fabricators accounted for more than 95 percent of the total domestic production of marble quarry block in 1970. Several of these firms also engage in installation operations using their own systems, some of which are patented.

The marble available to U.S. quarrier-fabricators is limited primarily to various shades of white, gray, and pink. Accordingly, for many years they have supplemented their product lines by purchasing commercially desirable grades and colors from abroad. In

1/ Transcript of hearing, p. 25 ff.

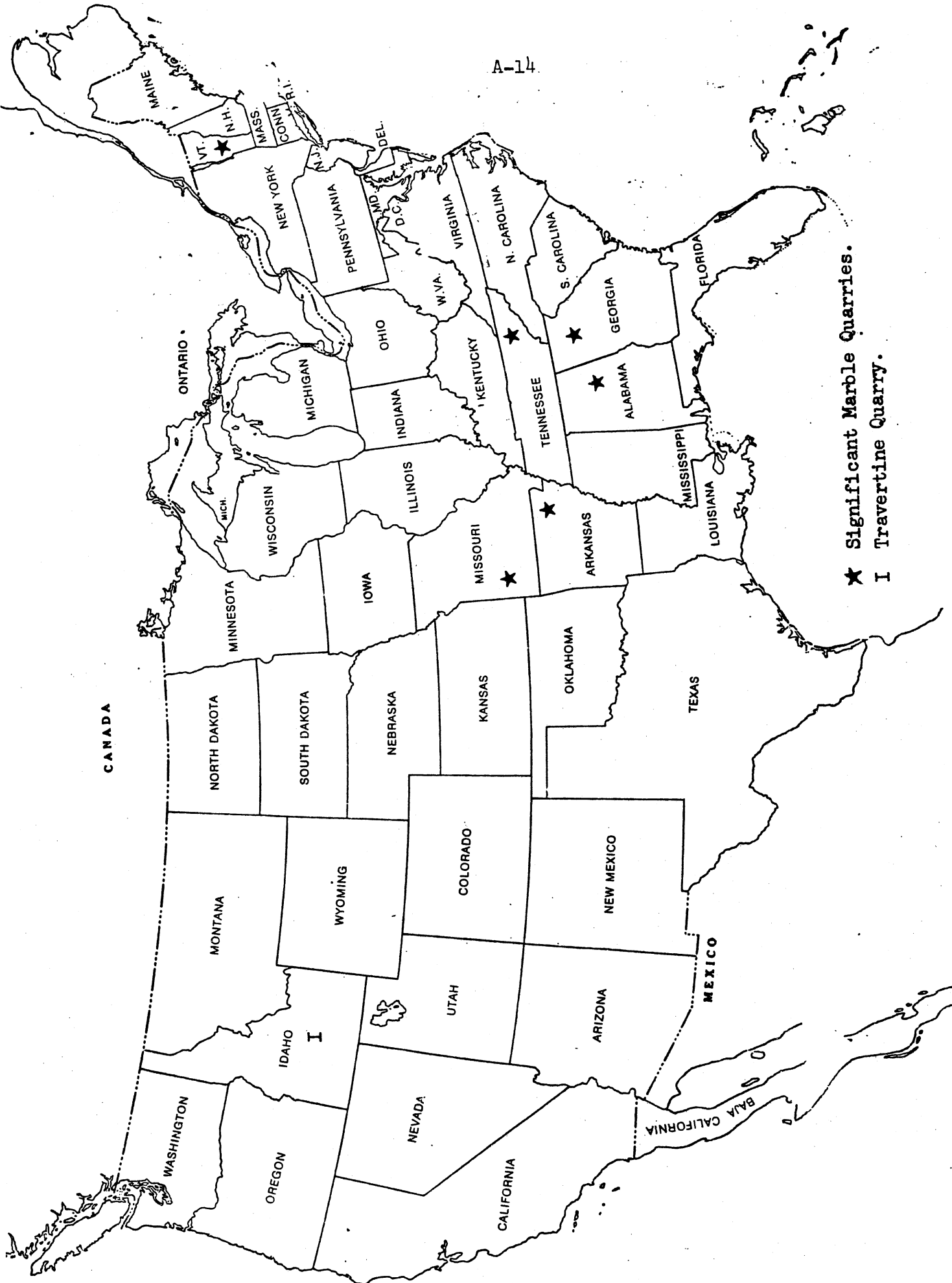
recent years, the three largest quarrier-fabricators have been significant importers of marble in various stages of advancement. Most U.S. marble quarrier-fabricators are also engaged in other ventures, but, except for one concern, their marble operations account for the bulk of their aggregate sales.

During the early part of 1971 the U.S. marble and travertine quarrier-fabricators had approximately 170 gang saws in their mills. Of this number about 15 percent were of the diamond variety. Currently, slightly more than 50 percent of the total number of gang saws are being utilized.

The map on page A-14 shows the location of the significant U.S. marble quarries and the one travertine quarry.

Independent fabricators

Perhaps as many as 300 independent marble and travertine fabricators currently produce a wide variety of marble and travertine products exclusively from purchased materials of domestic and foreign origin. Almost all are also engaged in producing or marketing other building materials such as tile, slate, and granite. Some of the independent fabricators have large-scale operations, including installation at construction sites, but for the most part they operate small shops, serving only the local market in which they are situated, bidding on construction projects as subcontractors or producing custom articles for individual consumers.



★ Significant Marble Quarries.
I Travertine Quarry.

Many years ago, when independent fabricators owned gang saws for cutting marble block, as well as polishing and other finishing equipment to prepare marble products for final end use, they probably accounted for a substantial proportion of the total sales of fabricated marble and travertine. Over the past three decades, however, their number and their share of the total volume of business have declined appreciably as both domestic and foreign quarries have increasingly supplied marble and travertine fabricated in their own mills directly to contractors and other consumers. 1/ By the middle and late 1960's, many of the independent fabricators were restricting their operations largely to minor finishing operations on purchased marble or travertine. Thus, some of the independent fabricators are now engaged principally in the merchandising of domestic and imported marble and travertine slabs or veneer, requiring only little, if any, additional processing.

Production operations

In recent years, the production of marble and travertine, even at the quarry stage, has increasingly become a custom operation, i.e., blocks are selectively quarried to meet the specifications of large orders, rather than to maintain orderly, full-time quarrying operations

1/ As stated in the petition (p. 12), "A substantial part of plant and equipment for cutting and finishing marble in the United States in the early 1960s was dependent completely upon buying of blocks and slabs from quarries and mills for final finishing. At that time a substantial part of the required marble rough stock was purchased abroad."

with a buildup of block pieces in mill inventory when orders decline. In selective quarrying, however, the volume of stone that must be extracted from the quarry face to obtain the quality needed to fill a particular order may far exceed the volume taken from the quarry site for fabrication and sale. Accordingly, numerous pieces of marble of various physical characteristics remain after the so-called usable blocks needed to fill an order are routed to the mill. These odd pieces generally remain in the quarry, and while not accurately called waste, they are ordinarily never used; such material is not included in production statistics in this report.

Marble and travertine are extracted principally by open-pit-mining operations. Currently, the only underground marble-mining operations in the United States--and probably in the world--are in Vermont. In open-pit marble mines, a rock surface is first cleared of all loose material. The next step is to make cuts by which blocks are separated from the solid formations. The blocks are then trucked to the sawmill. There gang saws, which consist of a series of iron, steel, or diamond blades set parallel in a frame that moves in a backward-and-forward sawing motion, cut the marble blocks to slabs of predetermined thickness. These rough slabs may then be trimmed by a single-blade saw before being sent to the finishing or fabricating shop for further trimming and rubbing and polishing to the required degree.

U.S. Consumption

Trend

Official data on U.S. production and foreign trade are not available in comparable units of measure for estimating apparent U.S. consumption of dimension marble and travertine in the construction of buildings. However, the estimated quarry-block equivalent of imports used in construction, combined with the output of quarry block by the domestic quarrier-fabricators responding to the Commission's questionnaire, indicates that annual U.S. consumption of marble and travertine in construction averaged about 2.8 million cubic feet of quarry block in 1966-70.

Although construction contracts for nonresidential buildings have nearly doubled since 1960 (table 2), consumption of marble and travertine has not increased significantly during the same period. Table 3, which shows U.S. producers' shipments of selected construction materials, indicates that consumption of all cut stone and stone products has shown considerably less growth than that of various types of concrete products.

In terms of quarry-block equivalent, annual consumption of marble and travertine for construction purposes appears to have been smaller in recent years than in the late 1920's. The estimated quarry-block equivalent of apparent U.S. consumption of structural marble and travertine in 1927, for example, was about 4.1 million cubic feet, probably an all-time high.

Role of imports

Total imports of marble and travertine used in construction are estimated to have accounted for 50 to 60 percent (in terms of quarry-block equivalent) of the U.S. consumption of such construction materials in 1966-70. In the late 1920's, when estimated apparent annual consumption was significantly greater than in 1966-70, imports supplied about 25 to 30 percent of apparent consumption. Since the 1920's, moreover, there has been a significant change in the composition of the imports of marble and travertine. During the 1920's nearly all the imports consisted of rough, unmanufactured stone, whereas during the 1960's the great bulk of the imports consisted of fabricated marble and travertine (i.e., the articles covered by this investigation).

The complained-of imports of marble include all the imports under item 514.65 and about half of the imports under item 514.81 (see section on imports). It is estimated that these complained-of imports in the years 1966-70 had required an annual average of about 1.1 million cubic feet of quarry block as source material, an amount approximately the same as the average annual quantity of marble quarry block produced in the United States during the same period. 1/

Imports of marble in the form of blocks (item 514.54), sawed or

1/ Excluded from the estimate of average annual output of domestic marble quarry block is that used for cemetery headstones, which is believed to have averaged about 0.1 million cubic feet in recent years.

dressed cubic stock (item 514.57), and rough slabs (item 514.61)--i.e., imports not covered by this investigation--require processing by domestic fabricators before they are ready for installation. Imports under those three TSUS items during 1966-70 required an annual average of about 0.2 million cubic feet of quarry block.

The complained-of imports of travertine (i.e., the imports reported under item 515.24) have accounted for the great bulk of the travertine consumed in the United States in recent years. It is estimated that average annual imports under item 515.24 during 1966-70 required for their fabrication about 0.4 million cubic feet of travertine quarry block, or many times the highest annual domestic output. Since the imports of travertine classified as "not hewn, sawed, or dressed" under item 515.21 have been very small in recent years, U.S. consumption of travertine in terms of quarry block is also estimated at 0.4 million cubic feet.

The foregoing estimates for 1966-70, together with corresponding estimates for 1927, are summarized in the following table.

Dimension marble and travertine: Estimated apparent U.S. consumption in building construction, 1927 and annual average 1966-70

(In millions of cubic feet of quarry-block equivalent)

Item	1927	Annual average 1966-70
U.S. production of marble and travertine-----	2.8	1.1
Imports:		
Complained-of in investigation		
TEA-I-20:		
Marble-----	.1	1.1
Travertine-----	<u>1/</u>	.4
Other:		
Marble-----	1.0	.2
Travertine-----	.2	<u>2/</u>
Total apparent consumption-----	4.1	2.8

1/ Negligible, if any.

2/ Less than 50,000 cu. ft.

Factors affecting consumption

Marble and travertine are used in the United States principally as external and internal covering or sheathing for nonresidential buildings. The annual consumption of marble and travertine depends largely upon the volume of new construction and therefore is related indirectly to the prevailing business outlook as well as to Government building programs.

Marble and travertine are often selected as facing materials for the more expensive buildings commissioned by, and generally housing the offices of, large private domestic and international corporations, and also for educational and Government structures and those for foundations, some of which are to serve partly as memorials. Compared with other materials, marble and travertine are so used rather

sparingly--mainly to impart a special elegance. Because the use of marble or travertine on a large scale is generally more expensive than the comparable use of other materials--e.g., glass, metal, and concrete--builders of office buildings, shopping centers, and high-rise apartments tend to use only very limited amounts of marble and travertine for decorative effects in such areas as lobbies and entrance ways.

Aside from its primary role as a facing material, some marble continues to be consumed in both residential and nonresidential buildings for door saddles, windowsills, and vanity counters, in the manufacture of furniture and household accessories (viz, tabletops, lamp bases, and art objects), for cemetery headstones, and for statuary. In the production of some of these articles, natural marble is being replaced by less expensive artificial marbles and substitute materials, such as Formica and other plastics. Many of these small marble articles currently available for sale in the United States were fabricated abroad.

U.S. Production and Shipments (Sales)

Quarry-block production

U.S. output of marble and travertine in the form of quarry block ^{1/} has declined substantially in recent years. Estimated output in 1963 amounted to 1.6 million cubic feet--the record output of the last decade. Subsequently, output declined to 1.3 million cubic feet in 1968 and then to 0.9 million cubic feet in 1970 (table 4). Output in 1970 was about 46 percent lower than that in 1963 and 32 percent lower than that in 1968.

Table 4 shows that in recent years relatively little quarry block, either domestic or imported, has been purchased by U.S. quarrier-fabricators. Formerly, imported purchased quarry block had accounted for a significant portion of the material they fabricated and sold.

Shipments (sales) by quarrier-fabricators

Table 5 shows a major-product breakdown of shipments (sales) of dimension marble and travertine (both domestic and imported) by domestic quarrier-fabricators in 1966-70. Their annual shipments of all dimension marble products increased in value from \$15.9 million in 1966 to \$16.5 million in 1967 and then declined without interruption to \$14.0 million in 1970. It is estimated that the value of the

^{1/} Data on quarry-block output used in this report relate only to usable blocks quarried for order and sale (including blocks taken out of inventory). In other words, the figures shown do not represent the total cubic footage of stone extracted from the quarry face during a particular year, but only the cubic footage of the stone taken from the quarry site for fabrication and sale during that year.

shipments declined by about 35 percent from 1963 (the record year of the 1960's) to 1970. The value of annual shipments of dimension travertine products ranged irregularly from \$1.5 million to \$2.1 million in 1966-69 and then dropped sharply to less than \$1.0 million in 1970.

By far the most important product category sold by the quarrier-fabricators is veneer, 1/ which is fully fabricated and ready for installation. Shipments of marble veneer (domestic and foreign combined) by domestic quarrier-fabricators declined without interruption during the period 1966-70. From 1966 to 1970, the shipments of marble veneer decreased by 34 percent in terms of quantity and 17 percent in terms of value. In most recent years, marble veneer has accounted for about three-fifths of the total dollar value of marble sales by domestic quarrier-fabricators.

Shipments by U.S. quarrier-fabricators of travertine veneer--fabricated largely from Italian stone--increased, in terms of quantity, from 1966 to 1969, then dropped in 1970 by more than 50 percent. The shipments in 1970--260,000 square feet--were about 30 percent smaller than those in 1966. In terms of value, annual shipments of travertine veneer fluctuated during 1966-70, and were nearly 50 percent smaller in 1970 than in 1966.

1/ The terms "veneer," "cubic marble," "slab," and "cubic stock" used in this discussion are defined on pp. A-3 and A-4.

Shipments of cubic marble increased from 132,000 cubic feet, valued at \$2.4 million, in 1966 to 187,000 cubic feet, valued at \$4.2 million, in 1969 and then declined to 143,000 cubic feet, valued at \$3.6 million, in 1970. Virtually all of the cubic marble sold by domestic quarrier-fabricators in recent years has been of domestic origin. Shipments of cubic travertine, probably all of Italian origin, have been of little consequence; none were reported in 1969 or 1970.

During the period 1966-70, shipments of marble slab--almost all domestic stone--continued the declining trend that had begun a few years earlier; they decreased from 1.4 million square feet, valued at \$1.6 million, in 1966 to 0.4 million square feet, valued at \$0.7 million, in 1970. In 1966, shipments of marble slab accounted for 10 percent of quarrier-fabricators' marble sales, and in 1970, for only 5 percent. Shipments of travertine slab--mostly of Italian origin--were small and irregular in 1966-70.

Shipments of marble quarry block declined from 51,000 cubic feet, valued at \$252,000, in 1967 to 13,000 cubic feet, valued at \$121,000, in 1970. Shipments of travertine quarry block were very small in 1967 and then increased to 10,000 cubic feet, valued at \$55,000, in 1970. The small shipments of quarry block, as well as the declining shipments of slab, reflect the fact that most marble and travertine are further processed by the quarrier-producers before being sold.

The "other" marble shown in table 5 consisted mainly of tile, cubic stock, monumental articles (including headstones), and split-face units. The annual value of all these items as a group fluctuated

irregularly during 1966-70, ranging from a low of \$1.0 million in 1968 to a high of \$1.7 million in 1966. Marble both of domestic and of foreign origin is represented in this grouping. Shipments of "other" travertine consisted almost solely of sales of imported travertine tile.

Shipments (sales) by independent fabricators

In recent years the fabrication of marble and travertine in small shops operated by firms not having their own marble or travertine quarries has been at a lower level than formerly--especially the fabrication of these materials for structural use--as veneer, saddles, sills, treads and risers, and so forth. Because of the large number of such shops, the diversity of their operations, and the relative unimportance of the fabrication of marble and travertine in most of them, a canvass of their operations was not feasible. The trend of shipments of marble and travertine products fabricated in such shops, however, has been estimated by examining certain import data along with data from the questionnaires of domestic quarrier-fabricators, as explained in the following discussion.

Sales of slab by domestic quarrier-fabricators are made almost wholly to independent fabricators. The amounts of imported material going to independent fabricators for further processing, rather than directly to a consumer, are estimated to include about 50 percent of imports under items 514.65 and 515.24 and 10 percent of imports

under item 514.81. 1/ Purchases of domestic marble and travertine by independent fabricators for processing declined in value from \$1.6 million in 1966 to \$0.8 million in 1970, as shown in the following table.

Marble and travertine: Purchases by U.S. independent fabricators for processing, 1966-70

(In thousands of dollars)

Year	Domestic marble and travertine <u>1/</u>	Imported marble <u>2/</u> entered under--		Imported traver- tine <u>2/</u> entered under item	Total purchases for process- ing <u>2/</u>
		Item 514.65	Item 514.81		
1966-----	1,626	2,730	406	669	5,431
1967-----	1,261	2,162	378	518	4,319
1968-----	1,258	2,972	416	702	5,348
1969-----	1,062	3,070	521	1,085	5,738
1970-----	753	3,281	553	1,363	5,950

1/ Shipments of slabs by U.S. quarry-fabricators as reported to the U.S. Tariff Commission.

2/ Estimated.

The estimated totals in the preceding table should probably be doubled to give a reasonable estimate of the annual sales value of marble and travertine products fabricated by the domestic independent fabricators. The factor of 2 allows for purchases of marble and travertine not included in the table (estimated to have had an average annual value of about \$500,000 during 1966-70), the cost of fabrication, marketing expense, and profits. Thus, the shipments of marble

1/ This estimate of the imports under item 514.81 going to independent fabricators for fabrication is intended to exclude the imports under that item which the independent fabricators sell without further fabrication.

and travertine processed by the independent fabricators have had an estimated annual sales value of \$8 million to \$12 million in recent years. As previously stated, many of these firms handle both imported and domestic marble and travertine products that require no fabrication before delivery to customers.

U.S. Exports

U.S. shipments of marble and travertine to foreign markets are believed to be nominal. No figures are available, since all marble exports are classified in a basket category of the official statistics. The value of recent annual exports is estimated at approximately \$200,000, with most shipments going to Canada. Most, if not all, exports are believed to have been slabs rubbed or polished in whole or in part. Until recently, one of the U.S. quarrier-fabricators had a fabricating facility in Canada.

U.S. Imports

Importing firms

Possibly a hundred or more firms, including the principal U.S. quarrier-fabricators, regularly import the marble and/or travertine articles included in this investigation. The 20 largest importers probably account for at least 50 percent of the total value of the imports; no single firm is believed to account for more than 10 percent of the total value. Major importers buy direct from their foreign sources. The trade seems to be on a freely operating, negotiated-price basis.

Importers may be divided into three categories:

1. Those that import partly fabricated slabs for resale to fabricators and/or for their own fabricating operations.
2. Those that import completely fabricated veneer or cubic pieces for particular construction projects to be installed either by themselves or by a subcontractor.
3. Those that import completely fabricated articles either for resale in the form in which purchased or for their own use in articles of further manufacture.

Most importers in categories 1 and 2 handle marble and travertine articles entered under all three of the TSUS items covered here. Most importers in category 3 do not deal in slabs (entered under item 514.65 if of marble and under item 515.24 if of travertine) and veneer (which may be entered under any of the three TSUS items).

Importers in each of the three categories have sales outlets in all sections of the United States. There appears to be some concentration of importers of slabs and veneer in California, Florida, and Texas, and of importers of finished articles (such as tabletops, trophy and lamp bases, floor tile, statuary, and vases) in New York, New England, and the Midwest.

Volume and trend

All of the major products or product groups encompassed in the three TSUS items covered in this investigation have been imported in increasing amounts, in terms of value, virtually without interruption since the end of World War II (see tables 6, 7, and 8). The value of imports of the three TSUS items combined reached \$11.0 million in 1964, was slightly lower in 1965 and 1966, and considerably lower in 1967. Thereafter, the value of such imports rose to new highs in each of the 3 succeeding years, amounting to \$14.8 million in 1970 (table 9). 1/

1/ During most of the period since World War II the trend of total imports of marble and travertine in forms not covered by this investigation (in table 10) has paralleled the trend of the imports of the articles under investigation. The rates of duty applicable to the imported articles for which data are given in table 10 were reduced by trade agreements at the same time, and generally to the same degree, as the rates applicable to the imported articles under investigation. The value of annual postwar imports of marble and travertine in the forms not here under investigation first exceeded \$1 million in 1951 and thereafter increased almost without interruption through 1963, in which year such imports were valued at \$3.1 million. These imports then declined to \$1.2 million in 1969 and totaled \$1.3 million in 1970.

It is noteworthy that marble or breccia blocks, rough or squared (in col. 1 of table 10), imports of which have been valued at less than \$0.4 million in every year since 1965, accounted for nearly all the imports of marble in the years prior to World War II. Imports of marble in that form amounted to about 950,000 cubic feet, valued at \$2.5 million, in 1927, which is believed to have been the alltime record year for imports of marble and travertine in the form of blocks.

Moreover, total imports of the three TSUS items in January-June 1971 were valued at \$7.7 million--about 11 percent above the value of imports in the corresponding period of 1970.

Less than 1 million square feet 1/ of rubbed or polished marble slabs (item 514.65) was imported annually until 1959. Beginning in that year the quantity of such imports increased through 1966, when it amounted to 7.0 million square feet (table 6). In 1967, imports declined to 5.0 million square feet. In 1968 they reached a record high of 7.5 million square feet and then declined to 6.8 million square feet in 1969 and to 6.5 million in 1970.

The decline of 1.0 million square feet in annual imports of such slabs from 1968 to 1970 occurred as the rate of duty was being reduced pursuant to successive annual stages of the Kennedy Round trade-agreement concession. As shown in table 6, the rate of duty was 7 percent ad valorem from August 31, 1963, through December 31, 1967; on January 1 of 1968-70, it was reduced successively to 6 percent, 5.5 percent, and 4.5 percent. Although declining in terms of quantity during 1968-70, the imports under item 514.65 rose in terms of value--from \$5.9 million in 1968 to \$6.1 million in 1969 and to \$6.6 million in 1970, reflecting in part an upgrading (including further processing)

1/ Reported in the official import statistics (and also in table 6 of this report) in terms of superficial feet, which refers to the quantity in square feet of the area of the largest face (see statistical headnote (1) to subpt. C, pt. 1, schedule 5 of the TSUS).

of products and in part a rise in prices. The trend of imports declining in quantity and rising in value concurrently with reductions in the rate of duty appears to be continuing during 1971. During January-June 1971, imports of rubbed or polished marble slabs were dutiable at 4 percent ad valorem and totaled 3.1 million square feet, valued at \$3.3 million, whereas during the corresponding period of 1970 they were dutiable at 4.5 percent ad valorem and totaled 3.2 million square feet, valued at \$3.0 million.

Annual imports of marble articles of the types now provided for under TSUS item 514.81, the quantity of which is not reported, were valued at less than \$1 million until 1953. Thereafter, they increased almost steadily to \$5.4 million in 1962, declined to \$3.8 million by 1967 and increased to \$5.5 million in 1970 (table 7). The upward trend appears to be continuing during 1971. Imports totaled \$2.9 million during January-June 1971, compared with \$2.6 million during the corresponding period of 1970. The rise in the value of imports from 1967 to 1971 accompanied four successive reductions in the rate of duty--from 21 percent ad valorem to 12.5 percent--as the Kennedy Round concession became effective.

Annual imports of the type of travertine products that are now provided for under TSUS item 515.24 were valued at less than \$1 million until 1962. They increased to \$1.3 million in 1963, ranged from \$1.0 to \$1.4 million in 1964-68, and then set successive records of \$2.2 million in 1969 and \$2.7 million in 1970 (table 8). The upward trend appears to be continuing during 1971. Imports were

valued at \$1.5 million during January-June 1971, compared with \$1.3 million during January-June 1970.

It is estimated that imports of travertine under TSUS item 515.24, after corrections for errors in the published data, 1/ amounted--in terms of quantity--to slightly more than 28,000 short tons in 1969 and 30,000 short tons in 1970. It is believed that the published official data for the years immediately preceding 1969, which are included in table 8, probably include errors of sufficient magnitude to place the true tonnages for those years well below the revised tonnages for 1969 and 1970.

More than half of the total imports of marble and travertine under the three TSUS items with which this investigation is concerned are shipped to east coast ports. The value of annual entries into New York City and the ports in Florida rose significantly from 1966 to 1970, as did the value of entries into the ports in other States along the Gulf of Mexico and on the Pacific coast (table 11). Some imported marble and travertine is shipped by barge or truck to areas far from the port of entry.

Supplying countries

Italy is by far the largest supplier of the imports under each of the TSUS items covered in this investigation, with Portugal

1/ Most of the imports in item 515.24 are sold on the basis of square feet, and the tonnage is recorded as an afterthought, only because it is required for statistical purposes. As a result, the square footage is sometimes recorded as the tonnage, thereby injecting a large element of error into the totals recorded in the published official data.

accounting, in terms of value, for between a half and three-fourths of the remainder. In the past 9 years Italy and Portugal combined have accounted for about 95 percent of the total value of imports. Italy increased its share of these three TSUS items from 72 percent in 1966 to 85 percent in 1970; concomitantly, Portugal's share dropped from 23 percent to 10 percent (table 9). It is reported that a sizable amount of Portuguese rough marble is fabricated in Italy and exported directly to consuming countries, including the United States. Possibly this practice accounts for at least part of the decline in shipments of marble from Portugal directly to the United States.

Other countries shipping to the United States include Mexico (shipments from which are almost entirely of onyx), West Germany, Belgium, Taiwan, and France. Some 20 other countries supply negligible amounts, i.e., less than 10,000 dollars' worth each. Most of these shipments consist of manufactured articles made of marble originating in a country other than that in which the articles are manufactured.

In 1970 Italy supplied (in terms of value) 99 percent of the imports entered under item 515.24, 84 percent of those under item 514.65, and 77 percent of those under item 514.81; Portugal, 12 percent each of the imports under items 514.65 and 514.81; and Mexico, 5 percent of those under item 514.81.

Composition

As previously indicated, a slab, for the purposes of item 514.65, is a flat piece of marble, breccia, or onyx--

not over 2 inches in thickness, having a facial area of 4 square inches or more, * * * one or both surfaces * * * rubbed or polished, the edges of which have not been beveled, rounded or otherwise processed except such processing as may be needed to facilitate installation as tiling or veneering in building construction.

Regardless of this broad terminology (in headnote 2 to pt. 1(C) of schedule 5 of the TSUS), articles entering under 514.65 are mainly pieces of fabricated veneer, partly fabricated slabs which are subsequently processed into veneer or other products, and a minor amount of tile and other flat pieces. Domestic marble is available for sale essentially in all the same forms as marble imported under item 514.65.

Item 514.81, a basket category, includes a wide variety of marble and onyx articles (but little or none of breccia). An analysis of representative import documents indicates that about 50 percent of the current imports in this item are essentially flat pieces of marble which are similar in form to domestic marble processed for sale, while the remainder consists of shaped articles or novelty items of types not generally made on a commercial scale in the United States.

Item 515.24 provides for all travertine that has been hewn, sawed, dressed, polished, or otherwise manufactured, and suitable for use as monumental, paving, or building stone. Prior to 1969, at least 85 percent of the imports in this item were unfilled or filled slabs, rubbed or polished on one or both faces, and between 7/8 inch and 1-1/2 inches in thickness. Another estimated 5 percent of the imports consisted of floor tiles. Thus, about 90 percent of the imports under item 515.24 prior to 1969 were similar in form to domestic travertine and marble processed for sale. In 1969 and 1970, however, abnormally large quantities of wire-sawed block travertine 1/ were imported under this item to be processed for a few very large structures; imports for some of these jobs are believed to be continuing during 1971.

1/ Subsequent to a change in classification practice in 1966, wire-sawed travertine block was classified under item 515.24, instead of item 515.21. In C.D. 4003 (dated Apr. 23, 1970) the Customs Court upheld the foregoing change in classification practice.

Channels of Distribution

Shipments by domestic quarrier-fabricators, which include substantial quantities of imported marble and travertine products, are largely confined to two major outlets: General contractors and builders for use in construction, and independent fabricators for further processing and/or sale for use in construction as well as miscellaneous uses, such as table and vanity tops, fireplace mantels and facings, and counter tops. Data provided by domestic quarrier-fabricators in response to questionnaires indicate that shipments to general contractors and builders during 1966-70 increased relative to shipments to independent fabricators, while shipments to other outlets, primarily distributors and consumers, remained small. In 1970, 51 percent of producers' shipments were channeled to independent fabricators and 45 percent to general contractors and builders, as indicated in the following table.

Distribution of U.S. quarrier-fabricators' shipments of imported and domestic marble and travertine, 1966 and 1970

Outlet	1966		1970	
	Value	Percent of total	Value	Percent of total
	<u>1,000</u>		<u>1,000</u>	
	<u>dollars</u>		<u>dollars</u>	
General contractors and builders-----	7,379	41	6,646	45
Independent fabricators-----	<u>1/</u> 9,946	56	<u>1/</u> 7,628	51
Other-----	488	3	664	4
Total-----	17,813	100	14,938	100

1/ Probably about four-fifths of these shipments are sold by the independent fabricators in the same form as purchased.

Corresponding data obtained from importers disclose that about 45 percent of their 1970 shipments of imported marble and travertine also went to general contractors and builders, but a much lower proportion of importers' shipments (about 17 percent) went to independent fabricators and a much higher proportion (about 38 percent), to "other" outlets.

Prices

The average net selling prices of representative, best selling types of slab and veneer of marble and travertine during the period 1966-70 were requested from producers by questionnaire. Prices of domestically produced marble rose consistently over the period, as indicated in the table below. The average price of domestically

Average net selling prices per square foot of representative U.S. marble, f.o.b. point of shipment, 1966-70

Item	1966	1967	1968	1969	1970
Slab:					
Gray-----	\$1.03	\$1.03	\$1.30	\$1.37	\$1.52
Gray-----	1.02	1.16	1.21	1.35	1.40
White-----	2.20	2.35	2.45	2.70	2.90
White-cream-----	1.30	1.40	1.50	1.65	1.80
Pink-----	1.00	1.09	1.10	1.08	1.18
Black-----	1.30	1.40	1.40	1.50	1.50
Veneer:					
Gray-----	2.55	2.82	2.43	2.89	2.93
Gray-----	1.47	1.92	2.07	2.05	3.00
White-----	3.85	4.10	4.25	4.70	5.15
White-cream-----	2.55	2.70	2.85	3.15	3.45
Pink-----	2.35	2.50	2.50	2.70	2.70
White-----	2.50	2.80	2.80	3.00	3.20

produced travertine slab rose from 80 cents per square foot (f.o.b. point of shipment) in 1967 to \$1.00 in 1970, while that of veneer rose from \$2.25 to \$2.40 in the same period (no travertine was produced in 1966). According to the producers, rising wage rates during the period were the major cause of the increased prices.

The averages in the foregoing table show the trend of prices of slab and veneer fabricated from domestic marble. However, a large part of the U.S. market for both domestic and imported marble and travertine is accounted for by large construction projects for which the entire supply of marble and/or travertine is generally purchased on the basis of bids for the delivery of the material to the construction site and also, sometimes, for the setting operations. Usually the type of stone (i.e., color and quality), as well as the quantity and dimensions of the individual pieces, is specified by the architect.

One of the major U.S. quarrier-fabricators furnished, in confidence, a comparison of the bid prices of domestic and imported marble for several projects for which domestic marble was originally specified by the architect. For these projects the winning bid price for the foreign marble ranged from about 20 percent to 50 percent below the bid price for domestic marble.

The three major U.S. quarrier-fabricators--which also import fabricated products--provided a comparison of the prices paid by customers for five significant shipments in 1970 of imported marble or travertine veneer, ready for installation, delivered to the jobsite, and the constructed prices for comparable products fabricated from domestic block, or from imported block if a comparable domestic stone was not available. In each example, the actual price of the imported material was lower than the constructed price of domestically fabricated material, as shown in the table on the following page. The table also shows that for four of the examples the price of imported material would have been lower even if dutiable at the statutory rate rather than

the 1970 trade-agreement rate. In the fifth example, the statutory rate would have made the price of the imported material 2 percent higher than the price of the domestically fabricated material.

Marble and travertine veneer, ready for installation: Domestic quarriers' price (including markup) to customers for imported products delivered to specified jobsites with U.S. duty calculated at the actual (1970) and statutory rates of duty and their constructed price of delivered comparable products fabricated in the United States, 1970

Line No.	Item	Marble veneer for jobsite in--			Travertine veneer for jobsite in--	
		Rochester, N.Y.	Radford, Va.	Frankfort, Ky.	Dallas, Tex.	Birmingham, Ala.
	Imported material from Italy:					
1	TSUS item No-----	514.81	514.65	514.65	515.24	515.24
2	U.S. port of entry-----	New York, N.Y.	Baltimore, Md.	Baltimore, Md.	Houston, Tex.	Jacksonville, Fla.
3	Quantity-----	37 tons	4,052 sq. ft.	2,396 sq. ft.	35 tons	3,954 sq. ft.
4	Color-----	Greenish-white	White	White	-	-
5	Invoice value, f.o.b. Italy-----	\$9,120	\$7,236	\$3,213	\$7,560	\$3,971
6	Total delivered price including markup but excluding import duty-----	15,792	9,724	5,340	12,752	5,934
7	U.S. import duty at-- 1970 rate-----	1,322 (14.5%)	326 (4.5%)	145 (4.5%)	1,096 (14.5%)	576 (14.5%)
8	Statutory rate-----	4,560 (50% 1/)	1,086 (15% 2/)	482 (15% 2/)	3,780 (50% 1/)	1,985 (50% 1/)
9	Total delivered price based on-- 1970 rate-----	17,114	10,050	5,485	13,848	6,510
10	Statutory rate-----	20,352	10,810	5,822	16,532	7,919
11	Constructed delivered price (including markup) of comparable veneer fabricated in the United States-----	23,155 3/	13,450	10,315 4/	17,731 3/	7,725 3/
	Ratio of delivered price of domestic veneer to that of imported veneer based on--					
12	1970 rate (i.e., line 11 as a percent of line 9)-----	135	134	188	128	119
13	Statutory rate (i.e., line 11 as a percent of line 10)-----	114	124	177	107	98

1/ This is the original rate provided in the Tariff Act of 1930. It is also the column 2 rate in the TSUS. The column 2 rates are treated as the rates "existing on July 1, 1934" for purposes of the limitations on the President's rate-increasing authority under the Trade Expansion Act.

2/ This is the column 2 (statutory) rate in the TSUS. The original statutory rates ranged from 11¢ to 19¢ per superficial (square) foot.

3/ Constructed price for veneer fabricated from imported block carried in inventory.

4/ Constructed price for veneer fabricated from highest quality of white domestic marble. Had the price for domestic veneer been constructed for grayish-white domestic marble, such price would have been \$6,780, an amount equivalent to 124 percent of line 9 and 116 percent of line 10.

Source: Compiled from data submitted to the Commission by domestic quarrier-fabricators.

Employment

Information supplied by seven U.S. producers that responded to the Commission's questionnaire indicate that the total number of man-hours worked by production and related workers at their marble and travertine quarries and mills declined by 33 percent from 1966 to 1970. The average number of workers at such quarries and mills declined by 28 percent. In absolute terms, man-hours worked declined from 4.0 million in 1966 to 2.6 million in 1970, while the number of production and related workers declined from 1,737 to 1,254 over the same period. Employment data for these quarries and mills are summarized in the following table, which also indicates that the total of all persons employed therein declined 22 percent, from 2,167 in 1966 to 1,700 in 1970.

Average number of employees, total and production and related workers, and man-hours worked by the latter at the marble and travertine quarries and mills operated by 7 U.S. producers, 1966-70

Year	Average number of employees		Total man-hours worked by production and related workers
	All persons	Production and related workers ^{1/}	
			Thousands
1966-----	2,167	1,737	3,962
1967-----	2,186	1,769	3,875
1968-----	2,031	1,622	3,521
1969-----	1,893	1,462	3,084
1970-----	1,700	1,254	2,648

^{1/} Includes workers engaged in quarrying block and fabricating domestic and imported marble.

Source: Compiled from data submitted to the Commission by domestic producers.

Profit-and-Loss Experience of Domestic Producers

In response to the Commission's request for financial information on the operations of the establishments in which marble and travertine were produced and sold, seven domestic producers, 1/ which together account for virtually all of the domestically produced marble and travertine, submitted profit-and-loss data covering certain of their operations during 1966-70. One of the seven domestic producers provided data that were not suitable for inclusion in the profit-and-loss table discussed below.

For four of the six producers that provided usable profit-and-loss data for 1966-70, the information covered their entire operations. Structural marble and travertine accounted for about 80 percent of the value of their combined sales during that period; crushed and ground products and marble and other stone settings accounted for most of their other sales. The data received from the other two producers covered only a part of their total company operations, accounting for about 65 percent, for one, and 25 percent, for the other, of their total company sales in 1970. For one of these two producers, sales of structural marble and travertine accounted for nearly half of the

1/ The marble and travertine operations of two of the seven producers involved two separate companies. One producer submitted separate profit-and-loss data for both the parent corporation and its wholly owned subsidiary; the other supplied combined data for its two operating companies.

total sales for which data were submitted, and for the other producer, sales of such products accounted for 80 percent. The other sales covered in the submitted data included sales of crushed and ground products and cemetery headstones, and receipts for settings of marble and travertine and other building materials.

Reported net sales of the six producers combined amounted to \$24.1 million in 1966, \$25.3 million in 1967, \$24.6 million in 1968, \$25.7 million in 1969, and \$25.2 million in 1970 (table 12). Structural marble and travertine sales accounted for about 70 percent of aggregate net sales reported by the six producers in 1966-68, for about 65 percent in 1969, and for 60 percent of such sales in 1970. Although 40 percent or more of the total annual sales of the six producers were not sales of structural marble or travertine, a significant portion of them represented receipts from marble included in crushed and ground stone products, and receipts from marble-setting operations.

As a group, the six reporting domestic producers experienced operating losses in each of the years under review on the operations of their establishments in which structural marble and travertine were produced. These operating losses amounted to \$210,000 in 1966, \$238,000 in 1967, \$151,000 in 1968, \$502,000 in 1969, and \$1.1 million in 1970. The aggregate net operating loss of the group was equal to about 1 percent of aggregate net sales in 1966-68, to 2.0 percent in 1969, and to 4.5 percent in 1970.

Four of the six producers experienced operating losses in 1966, five reported losses in 1967, four in 1968-69, and five of them had operating losses in 1970.

In computing the allowance for depletion of their marble deposits during 1966-70, some of the reporting producers used the percentage depletion method. Inasmuch as this method is used in accounting for the Federal income tax (under the provisions of sec. 613, Internal Revenue Code) rather than for the purpose of financial accounting, percentage depletion was not included in the profit-and-loss data submitted to the Commission. For some of the years under review, a few of the producers used the cost method to compute their depletion allowance; such cost depletion is included in the profit-and-loss data they furnished to the Commission. If percentage depletion had been included in these data, the aggregate net losses for the six domestic producers would have been greater than those shown in table 12.

Information was submitted by seven domestic producers showing their expenditures during 1966-70 for land and quarries, for plants, and for machinery and equipment used in their marble and travertine operations. Data for six of the producers that supplied usable information are summarized and shown in table 13.

Statistical Appendix



Table 1.--Effective dates of U.S. rates of duty applicable to marble and travertine products currently dutiable under TSUS items 514.65, 514.81, and 515.24, June 18, 1930-Jan. 1, 1972

(Rates in cents per superficial foot 1/ or percent ad valorem)		Rate of duty
Effective date	Authority	
June 18, 1930	Tariff Act of 1930	Marble slabs rubbed or polished : 50%
Jan. 1, 1948	GATT	in whole or in part 2/ : 25%
May 30, 1950	GATT	(TSUS item 514.65) : 25%
June 30, 1956	GATT	More than : More than : Marble : Travertine suitable
June 30, 1957	GATT	Not more than : 1 in., : 1.5 in., : tal, paving, or
June 30, 1958	GATT	than : but not : item : building stone
		1 in. : more than : more than : 514.81) : (TSUS item 515.24)
		thick : 1.5 in. : 2 in. : :
		thick : thick : :
June 18, 1930	Tariff Act of 1930	11φ or 14φ : 13φ or 16φ : 16φ or 19φ : 50%
Jan. 1, 1948	GATT	- : - : - : 25%
May 30, 1950	GATT	5.5φ or 7φ : 6.5φ or 8φ : 8φ or 9.5φ : -
June 30, 1956	GATT	- : - : - : 23.5%
June 30, 1957	GATT	- : - : - : 22.5%
June 30, 1958	GATT	- : - : - : 21%
Aug. 31, 1963	Tariff Classification : Act of 1962.	7% : 21%
Jan. 1, 1968	GATT	6% : 18.5%
Jan. 1, 1969	GATT	5.5% : 16.5%
Jan. 1, 1970	GATT	4.5% : 14.5%
Jan. 1, 1971	GATT	4% : 12.5%
Jan. 1, 1972	GATT	3.5% : 10.5%

1/ The term "superficial foot" refers to a unit of quantity designating the area of the largest face of a slab in terms of square feet (statistical headnote (1) to subpt. C, pt. 1, schedule 5 of the TSUS).
 2/ Slabs rubbed in whole or in part were dutiable at the lower rate, and those polished in whole or in part (whether or not rubbed) were dutiable at the higher rate.

Note.--Pursuant to Presidential Proclamation No. 4074, effective Aug. 16, 1971, the 1971 trade-agreement rates shown above were modified by the temporary imposition of an additional duty of 10 percent ad valorem, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS. Accordingly, imports under item 514.65 became dutiable at 14 percent ad valorem and those under item 514.81 and item 515.24, at 22.5 percent ad valorem. Goods exported to the United States before August 16, 1971, are exempt from the additional duty. Any such goods entered for warehouse or entered into a foreign-trade zone will be subject to the additional duty.

Table 2.--Construction contracts for nonresidential buildings
in the United States, 1960 and 1965-68

Class of construction	1960	1965	1966
	<u>Million</u>	<u>Million</u>	<u>Million</u>
	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
Total-----	12,239	17,221	19,393
Commercial-----	3,725	5,457	5,835
Industrial-----	2,114	3,064	3,623
Educational and science-----	3,005	4,164	4,939
Hospital-----	832	1,515	1,721
Public buildings-----	679	842	939
Religious-----	789	783	825
Social and recreational-----	631	800	855
Miscellaneous-----	464	596	656
	1967	1968	Change, :1960 to 1968
	<u>Million</u>	<u>Million</u>	
	<u>dollars</u>	<u>dollars</u>	<u>Percent</u>
Total-----	20,139	22,513	+83
Commercial-----	6,080	7,645	+105
Industrial-----	3,701	3,768	+78
Educational and science-----	5,216	5,347	+77
Hospital-----	1,873	2,114	+154
Public buildings-----	959	1,112	+63
Religious-----	793	778	-2
Social and recreational-----	834	954	+51
Miscellaneous-----	683	795	+71

Source: Statistical Abstract of the United States, 1969.

Table 3.--Shipments by U.S. manufacturers of selected construction materials, specified years 1960 to 1969

Product	1960	1963	1966
	<u>Million</u>	<u>Million</u>	<u>Million</u>
	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
Concrete block and brick-----	457	505	586
Precast concrete products except pipe-----	336	297	<u>1/</u> 385
Ready-mixed concrete-----	1,869	2,293	2,528
Gypsum products-----	382	425	394
Brick and structural clay tile-----	360	325	387
Cut stone and stone products <u>2/</u> -----	216	217	224
	1967	1969	Change, :1960 to 1969
	<u>Million</u>	<u>Million</u>	
	<u>dollars</u>	<u>dollars</u>	<u>Percent</u>
Concrete block and brick-----	550	668	+46
Precast concrete products except pipe-----	342	<u>1/</u> 419	+24
Ready-mixed concrete-----	2,684	2,931	+56
Gypsum products-----	388	472	+23
Brick and structural clay tile-----	400	401	+11
Cut stone and stone products <u>2/</u> -----	236	244	+12

1/ Estimated.

2/ Products of establishments engaged in cutting, shaping, and finishing marble, granite, slate, or other stone for building and miscellaneous purposes.

Source: 1967 Census of Manufactures and Annual Survey of Manufactures, 1968 and 1969.

Table 4.--Marble and travertine quarry block: Production and purchases by U.S. quarrier-fabricators, 1966-70

(In thousands of cubic feet)

Type of stone and year	Production ^{1/}	Purchases	
		Domestic	Imported
Marble:			
1966-----	1,126	76	35
1967-----	1,249	60	13
1968-----	1,227	49	14
1969-----	1,051	42	10
1970-----	830	43	11
Travertine:			
1966-----	-	8	21
1967-----	13	7	24
1968-----	40	4	29
1969-----	28	2	7
1970-----	27	9	3

^{1/} Consists of blocks quarried for order and sale (including blocks taken out of inventory).

Source: Compiled from questionnaires submitted to the Commission by domestic quarrier-fabricators accounting for 95 to 98 percent of all U.S. quarry output of dimension marble and travertine.

Table 5.--Marble and travertine: Shipments (sales) by U.S. quarrier-fabricators, by specified types of products, 1966-70

Material and form	1966	1967	1968	1969	1970
	Quantity				
Marble: <u>1/</u>					
Quarry block--1,000 cu. ft--:	44	51	27	27	13
Cubic marble--1,000 cu. ft--:	132	162	154	187	143
Slab-----1,000 sq. ft--:	1,394	995	894	691	437
Veneer-----1,000 sq. ft--:	3,061	2,891	2,466	2,103	2,028
Travertine: <u>1/</u>					
Quarry block--1,000 cu. ft--:	3	2/	1	8	10
Cubic travertine					
1,000 cu. ft--:	6	3	10	-	-
Slab-----1,000 sq. ft--:	36	62	45	29	36
Veneer-----1,000 sq. ft--:	368	422	517	567	260
	Value				
Marble, total--1,000 dollars--:	15,870	16,527	15,765	15,111	14,001
Quarry block-----do-----:	260	252	205	195	121
Cubic marble-----do-----:	2,376	3,978	4,163	4,235	3,619
Slab-----do-----:	1,577	1,181	1,206	1,027	715
Veneer-----do-----:	9,912	9,898	9,232	8,222	8,251
Other-----do-----:	1,745	1,218	959	1,432	1,295
Travertine, total--do-----:	1,836	1,522	2,067	1,769	956
Quarry block-----do-----:	29	1	10	40	55
Cubic travertine--do-----:	95	42	215	-	-
Slab-----do-----:	49	80	52	35	38
Veneer-----do-----:	1,630	1,383	1,765	1,659	845
Other-----do-----:	33	16	25	35	18

1/ Total quantity and "Other" quantity are not available.

2/ Less than 500 cubic feet.

Source: Compiled from questionnaires submitted to the Commission by domestic quarrier-fabricators accounting for 95 to 98 percent of all U.S. quarry output of dimension marble and travertine.

Table 6.---Marble slabs, 1/ rubbed or polished: U.S. imports for consumption, by principal sources, and rates of duty, 1946-70, January-June 1970, and January-June 1971

Period	Quantity					Value					Rate of duty <u>2/</u>	
	Italy	Portu- gal	Belgium	Other	Total	Italy	Portu- gal	Belgium	Other	Total	Rubbed	Polished
1946	-	-	-	-	-	-	-	-	-	-	-	-
1947	7	-	-	1	8	5	-	-	3/	5	do.	do.
1948	11	-	1	-	12	9	-	10	-	19	do.	do.
1949	36	-	1	-	37	42	-	10	-	52	do.	do.
1950	144	-	6	1	151	143	-	6	1	150	do.	do.
1951	5/ 167	4	8	3	182	178	3/	12	5	195	do.	do.
1952	124	1	10	3	138	140	1	19	2	162	do.	do.
1953	192	5	7	10	214	200	4	9	6	219	do.	do.
1954	134	-	16	9	159	118	-	19	8	145	do.	do.
1955	239	2	20	6	267	225	1	15	25	266	do.	do.
1956	397	1	24	29	451	353	1	29	51	434	do.	do.
1957	616	17	23	19	675	539	16	33	47	635	do.	do.
1958	802	20	18	52	892	676	21	30	130	857	do.	do.
1959	1,454	80	44	45	1,623	1,206	72	75	118	1,471	do.	do.
1960	1,519	144	49	55	1,767	1,348	134	104	170	1,756	do.	do.
1961	1,936	89	43	79	2,147	1,745	87	98	219	2,149	do.	do.
1962	2,342	459	35	106	2,942	2,181	418	81	204	2,884	do.	do.
1963	2,476	1,098	26	133	3,693	2,637	899	61	250	3,847	do.	do.
1964	3,810	1,798	30	133	5,771	3,367	1,453	49	209	5,078	do.	do.
1965	3,667	1,864	18	116	5,665	3,386	1,470	36	190	5,082	do.	do.
1966	4,528	2,407	14	92	7,041	3,498	1,788	29	145	5,460	do.	do.
1967	3,106	1,819	17	59	5,001	3,080	1,110	25	108	4,323	do.	do.
1968	4,898	2,499	24	107	7,528	4,554	1,222	57	111	5,944	do.	do.
1969	5,271	1,351	54	106	6,782	5,122	883	24	110	6,139	do.	do.
1970	5,312	1,153	9	72	6,546	5,573	817	22	150	6,562	do.	do.
Jan.-June 1970	2,587	577	3	29	3,196	2,505	419	8	54	2,986	do.	do.
1971	2,653	450	3	40	3,146	2,866	361	8	61	3,296	do.	do.

1/ May include negligible amounts of breccia and onyx.

2/ Until Aug. 31, 1963 (the effective date of the TSPS), 6 different rates of duty were applicable to rubbed or polished slabs, depending on their thickness and on whether rubbed or polished; see table 1.

3/ Less than \$500.

4/ Effective May 30, 1950.

5/ Partly estimated to account for a major statistical error in the published official data.

6/ Effective Aug. 31, 1963.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Certain marble articles: 1/ U.S. imports for consumption, by principal sources, and rates of duty, 1946-70, January-June 1970, and January-June 1971

Period	Value					Rate of duty <u>2/</u>
	Italy	Portu- gal	Mexico	Other	Total	
	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	
1946-----	17	2	1	82	102	50% ad val.
1947-----	56	-	2	41	99	do.
1948-----	82	<u>3/</u>	<u>3/</u>	51	133	25% ad val.
1949-----	161	-	<u>3/</u>	40	201	do.
1950-----	286	2	4	39	331	do.
1951-----	348	-	4	68	420	do.
1952-----	440	-	4	109	553	do.
1953-----	840	72	5	126	1,043	do.
1954-----	854	131	5	200	1,190	do.
1955-----	919	113	4	254	1,290	do.
1956-----	1,298	245	17	429	1,989	23.5% ad val. <u>4/</u>
1957-----	1,530	418	39	443	2,430	22.5% ad val. <u>4/</u>
1958-----	1,454	335	48	361	2,198	21% ad val. <u>4/</u>
1959-----	2,296	427	37	288	3,048	do.
1960-----	2,483	549	55	216	3,303	do.
1961-----	2,449	998	68	252	3,767	do.
1962-----	3,555	1,560	72	235	5,422	do.
1963-----	3,310	1,230	108	223	4,871	do.
1964-----	3,432	889	119	269	4,709	do.
1965-----	3,221	750	168	278	4,417	do.
1966-----	2,941	681	152	288	4,062	do.
1967-----	2,900	554	161	161	3,776	do.
1968-----	3,209	541	186	227	4,163	18.5% ad val.
1969-----	4,125	569	269	251	5,214	16.5% ad val.
1970-----	4,273	640	273	346	5,532	14.5% ad val.
Jan.-June--						
1970-----	2,031	323	136	152	2,642	14.5% ad val.
1971-----	2,311	236	179	151	2,877	12.5% ad val.

1/ All or nearly all of the imports from Mexico are believed to have consisted of onyx articles; the imports from other countries have consisted predominantly of marble articles.

2/ From Jan. 18, 1930, until Jan. 1, 1948, the effective date of the first trade-agreement concession, virtually all the articles considered here were dutiable at the statutory rate of 50 percent ad valorem.

3/ Less than \$500.

4/ Effective June 30.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Quantity data are not available. This table covers imports reported under 3 schedule A commodity numbers (5090.300, -.310, and -.320) from Jan. 1, 1946, through Aug. 30, 1963, and 1 TSUS item number (514.81) beginning Aug. 31, 1963. Virtually all of the imports entered before Aug. 31, 1963, were reported under schedule A commodity number 5090.320.

Table 8.--Travertine, dressed or polished: U.S. imports for consumption, by principal sources, and rates of duty, 1946-70, January-June 1970, and January-June 1971 1/

Period	Italy		Other		Total		Rate of duty
	Quantity <u>2/</u>	Value	Quantity <u>2/</u>	Value	Quantity <u>2/</u>	Value	
	Short tons	1,000 dollars	Short tons	1,000 dollars	Short tons	1,000 dollars	
1946-----	<u>3/</u>	<u>4/</u>	-	-	<u>3/</u>	<u>4/</u>	50% ad val.
1947-----	17	<u>4/</u>	-	-	17	<u>4/</u>	do.
1948-----	729	11	-	-	729	11	do.
1949-----	146	8	-	-	146	8	do.
1950-----	574	5	-	-	574	5	25% ad val. <u>5/</u>
1951-----	330	3	-	-	330	3	do.
1952-----	378	2	-	-	378	2	do.
1953-----	725	16	-	-	725	16	do.
1954-----	318	10	-	-	318	10	do.
1955-----	1,364	14	-	-	1,364	14	do.
1956-----	1,577	19	-	-	1,577	19	23.5% ad val. <u>6/</u>
1957-----	1,203	42	-	-	1,203	42	22.5% ad val. <u>6/</u>
1958-----	7,816	63	-	-	7,816	63	21% ad val. <u>6/</u>
1959-----	17,094	164	-	-	17,094	164	do.
1960-----	6,239	209	-	-	6,239	209	do.
1961-----	10,760	388	-	-	10,760	388	do.
1962-----	<u>7/</u>	1,055	-	-	<u>7/</u>	1,055	do.
1963-----	<u>7/</u>	1,323	<u>7/</u>	13	<u>7/</u>	1,336	do.
1964-----	32,651	1,216	99	22	32,750	1,238	do.
1965-----	30,767	1,130	159	19	30,926	1,149	do.
1966-----	31,561	1,336	14	2	31,575	1,338	do.
1967-----	34,476	1,025	61	10	34,537	1,035	do.
1968-----	32,833	1,387	93	17	32,926	1,404	18.5% ad val.
1969-----	<u>8/</u> 28,000	2,144	55	25	<u>8/</u> 28,055	2,169	16.5% ad val.
1970-----	<u>8/</u> 30,000	2,697	<u>8/</u> 100	29	<u>8/</u> 30,100	2,726	14.5% ad val.
Jan.-June--							
1970-----	<u>8/</u> 13,649	1,270	29	8	<u>8/</u> 13,678	1,278	14.5% ad val.
1971-----	<u>8/</u> 10,884	1,485	<u>8/</u> 47	4	<u>8/</u> 10,931	1,489	12.5% ad val.

1/ The imports for 1946-53 were reported under schedule A commodity number 5110.020 and those for 1964-71, under TSUS item number 515.24. Imports shown here for 1954-63 are estimated; they are the imports from Italy reported under schedule A commodity number 5110.080 (the basket class for miscellaneous stone).

2/ Official data for 1946-61 converted from cubic feet to short tons at the rate of 12 cubic feet per short ton.

3/ Less than 0.5 short ton.

4/ Less than \$500.

5/ Effective May 30.

6/ Effective June 30.

7/ Not available.

8/ Estimated; a study of the import documents established that the published data are incorrect.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 9.--U.S. imports for consumption of marble and travertine products subject to investigation No. TEA-I-20, by principal sources, 1946-70, January-June 1970, and January-June 1971 ^{1/}

Period	: :			Total	: Percent of	
	Italy	Portugal	All other		total from--	Italy
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>		
	dollars	dollars	dollars	dollars		
1946-----	17	2	83	102	17	2
1947-----	61	-	43	104	59	-
1948-----	102	-	61	163	63	-
1949-----	211	-	50	261	81	-
1950-----	434	2	50	486	89	^{2/}
Average, 1946-50--	165	1	57	223	74	^{2/}
1951-----	529	-	89	618	86	-
1952-----	582	1	134	717	81	^{2/}
1953-----	1,056	76	146	1,278	83	6
1954-----	982	131	232	1,345	73	10
1955-----	1,158	114	298	1,570	74	7
Average, 1951-55--	862	64	180	1,106	78	6
1956-----	1,670	246	526	2,442	68	10
1957-----	2,111	434	562	3,107	68	14
1958-----	2,193	356	569	3,118	70	11
1959-----	3,666	499	518	4,683	78	11
1960-----	4,040	683	545	5,268	77	13
Average, 1956-60--	2,736	444	544	3,724	73	12
1961-----	4,582	1,085	637	6,304	73	17
1962-----	6,791	1,978	592	9,361	73	21
1963-----	7,270	2,129	655	10,054	72	21
1964-----	8,015	2,342	668	11,025	73	21
1965-----	7,737	2,220	691	10,648	73	21
Average, 1961-65--	6,879	1,951	648	9,478	73	21
1966-----	7,775	2,469	616	10,860	72	23
1967-----	7,005	1,664	465	9,134	77	18
1968-----	9,150	1,763	598	11,511	79	15
1969-----	11,391	1,452	679	13,522	84	11
1970-----	12,543	1,457	820	14,820	85	10
Average, 1966-70--	9,573	1,761	635	11,969	80	15
Jan.-June--						
1970-----	5,806	742	358	6,906	84	11
1971-----	6,662	597	403	7,662	87	8

^{1/} Included are marble and travertine in the forms provided for by TSUS item numbers 514.65, 514.81, and 515.24 (see tables 6, 7, and 8).
^{2/} Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--U.S. imports for consumption of marble and travertine products not subject to investigation No. TEA-I-20, 1946-70, January-June 1970, and January-June 1971 ^{1/}

Period	(In thousands of dollars)							
	Marble or breccia blocks, rough or squared	Onyx blocks, rough or squared	Marble, breccia, and onyx		Travertine			Total ^{3/}
			Sawed or dressed, over 2 in. thick	Slabs, not rubbed or polished	Not hewn, sawed, or dressed	Articles ^{2/} Not decorated	Deco-:rated	
1946	283	238	-	26	133	-	-	680
1947	419	284	-	25	43	-	-	771
1948	335	33	73	66	75	-	-	582
1949	459	98	43	81	75	-	-	756
1950	420	120	6	152	69	-	-	767
Average, 1946-50	383	155	24	70	79	-	-	711
1951	662	90	14	241	103	-	-	1,110
1952	745	42	7	310	132	-	-	1,236
1953	785	121	4	494	114	-	-	1,518
1954	899	69	4	521	189	-	-	1,682
1955	1,080	74	7	576	218	-	-	1,955
Average, 1951-55	834	79	7	428	151	-	-	1,500
1956	1,146	43	11	798	242	-	-	2,240
1957	1,163	48	7	902	268	-	-	2,388
1958	919	69	5	1,003	323	-	-	2,319
1959	914	10	25	1,155	428	-	-	2,532
1960	696	78	48	1,106	394	-	-	2,322
Average, 1956-60	968	50	19	993	331	-	-	2,360
1961	761	31	104	1,307	165	-	-	2,368
1962	1,031	38	52	1,594	342	-	-	3,057
1963	814	38	36	1,692	426	^{4/} 137	^{4/} 1	3,144
1964	763	51	145	1,452	391	249	10	3,061
1965	515	48	82	1,368	202	152	6	2,373
Average, 1961-65	777	41	84	1,483	305	108	3	2,801
1966	340	30	32	1,081	163	111	1	1,758
1967	328	32	38	816	138	73	4	1,429
1968	270	13	82	762	129	64	4	1,324
1969	306	27	38	739	83	49	2	1,244
1970	357	33	129	721	56	24	10	1,330
Average, 1966-70	320	27	64	824	114	64	4	1,417
Jan.-June--								
1970	177	19	54	345	15	12	6	628
1971	176	6	5	274	9	8	4	482

^{1/} Included are marble and travertine in the forms provided for in 7 TSUS item numbers (514.51, 514.54, 514.57, 514.61, 515.21, 515.31, and 515.34, in that order).

^{2/} Not separately reported before Aug. 31, 1963, the effective date of the TSUS. It is believed that annual imports of travertine articles--almost entirely undecorated--increased gradually after World War II, reached 300 thousand to 400 thousand dollars in the late 1950's, and declined steadily thereafter.

^{3/} Because of rounding, figures may not add to totals shown.

^{4/} Aug. 31 through Dec. 31 only.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--U.S. imports for consumption of marble and travertine products subject to investigation No. TEA-I-20, by customs districts and ports of entry, 1966-70 1/

(In thousands of dollars)

Customs district and port of entry	1966	1967	1968	1969	1970
East coast:					
New York, N.Y-----	3,860	3,167	3,640	4,536	4,834
Florida-----	990	1,037	1,726	1,867	2,306
Other, including					
Puerto Rico-----	2,715	2,223	2,991	2,765	2,906
Gulf coast:					
New Orleans, La-----	483	481	669	869	612
Other <u>2/</u> -----	629	542	490	851	1,246
Pacific coast-----	1,307	977	1,156	1,579	1,934
Inland districts <u>3/</u> -----	876	707	839	1,055	982
Total-----	10,860	9,134	11,511	13,522	14,820

1/ Includes all marble and travertine in the forms provided for by TSUS item numbers 514.65, 514.81, and 515.24 (see tables 6, 7, and 8).

2/ Excludes ports in Florida.

3/ Principally Chicago and Detroit.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--Profit-and-loss experience of 6 U.S. producers on the operations of their establishments in which marble and travertine products were produced, 1966-70 1/

Year	Net sales	Net operating profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Percent</u>
1966-----	24,146	(210)	(0.9)
1967-----	25,259	(238)	(.9)
1968-----	24,638	(151)	(.6)
1969-----	25,663	(502)	(2.0)
1970-----	25,209	(1,142)	(4.5)

1/ Since the data provided by the 4 dominant producers in the industry covered accounting years that included 8 months or more of the calendar year for which such data are shown, the data are deemed representative of the total industry experience for each of the years under review.

Source: Compiled from data submitted to the Commission by the domestic producers.

Table 13.--Investment in productive facilities by 6 U.S. producers for use in their marble and travertine operations, 1966-70

(In thousands of dollars)

Year	Investment in--			Total
	Land and quarries	Plants	Machinery and equipment	
1966-----	1	77		351
1967-----	3	73		446
1968-----	9	49		428
1969-----	14	88		166
1970-----	-	59		243

Source: Compiled from data supplied to the U.S. Tariff Commission by domestic producers.

